

● PSF: Office of Strategic Services: Donovan Reports, February 12-28, 1942
Folder # 6

PSF Subject File

Box 164

PSF: OFFICE OF STRATEGIC SERVICES

1942

Donovan Report

No. 6

February ¹² 1942 to 28

No. 244

February 12, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The attached memorandum was presented to me by Mr. Atherton Richards, who is working with us, but who has been a resident of Hawaii for a great many years.

I thought you might be interested in reading it.

Three alternatives, broadly speaking present themselves:

(a) Permit these enemy aliens and unaffiliated citizens to continue their usual occupations and occupy their customary residences, unharmed, but subject to proper strict military surveillance, and exclude prohibited areas;

(b) Require evacuation of such groups to a selected safe prescribed area on the United States coast;

A PROPOSED SOLUTION FOR THE JAPANESE
QUESTION IN HAWAII

The Pearl Harbor debacle and the Roberts' Commission Report subsequent thereto, have focused attention on the potential danger to the United States vital Pacific outpost, the Island of Oahu, arising from the unpredictable activities and loyalties of local residents there who are Japanese Nationals or are U. S. citizens of Japanese ancestry. Those charged with protecting Oahu recognize that this uncertainty is a military hazard of no negligible proportions (such enemy aliens and Japanese ancestry citizens accounting for over a third of the Territory's population). Military authorities both in Washington and in the Islands can no longer take a chance thereon, -- they must be doubly assured of the inner strength of the citadel.

Three alternatives, broadly speaking present themselves:

(a) Permit these enemy aliens and unmatured citizens to continue their usual occupations and occupy their customary residences, unmolested, but maintain thereover strict military surveillance, and establish prohibited zones;

(b) Require evacuation of such groups to a selected safe proscribed area on the Mainland United States;

(c) Isolate and concentrate the "dubious" within the territory but away from the Island of Oahu.

The exigencies of the military situation and the temper of the United States point to the selection of the third choice.

Primary goals to be reached consist of:

(1) Achievement of Maximum military security for the Island of Oahu:

(2) Minimum disruption to, and drain upon

(a) Civilian morale of Territorial residents;

(b) Local capacity to cope with the emergency without excessive federal aid during or after the war;

(c) Transportation facilities needed to move essential personnel and material to and from the Islands;

(3) An appropriate solution that would not aggravate the harshness which the Japanese might impose later upon any Americans captured in other areas, as a retaliation.

The small area of Oahu and concentration thereon of population, particularly of Japanese ancestry, makes desirable alleviation of the critical area. To evacuate to the Mainland

a large segment of the Oahu population would beget amongst other features:

- (a) An accentuation of the problem as illustrated by the California Japanese situation;
- (b) The addition of a large group of dependents upon the Federal government;
- (c) Unfavorable political reaction.

Utilizing the Island of Hawaii, for example, as an obligatory rendezvous for the "doubtful" Island residents, however, would permit:

- (a) Such "tourists" to be practically self supporting (a marked shortage of labor exists on that Island);
- (b) Use of these people to grow, on the sugar plantations of this Island, all their own major food requirements, and provide much that is now imported from the Mainland, thereby contributing to the Island's self sustenance and relieving ship tonnage;
- (c) Construction of a number of desirable public improvements through labor thus made available;
- (d) Localizing the problem, but yet securing a solution deemed satisfactory from a military viewpoint.

What is left of the risk could then be placed under continuous check. These areas on the Island of Hawaii would be

No. 245

February 12, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

We have just received the following cable from our man in Cairo:

"I have just returned from Syria. The relations there between the British military men and the Free French show improvement. The friction remaining revolves around differences of opinion as to pressure by Spears Mission and long-range political objectives. The common danger will, I believe, keep things together. Their military weaknesses outside of Egypt are spoken of freely by Wilson and Catroux. There is very frank criticism by British officers of the way things are going. If six divisions can be spared by Hitler, they believe he will have the Near East. If they are left unprotected, American officers are beginning to wonder what will happen to all installations planned.

"The Near East needs a total of 18,000 tanks in order to clean up the desert, insure Turkish participation and protect right flank according to Catroux. He also says the

- 2 -

Libyan battle is lost for this year. He urges that Madagascar be occupied immediately before it is too late.

It is thought by the Middle East that there is a better chance with Rommel where they now are than west of Benghazi, but personally I think their chances are doubtful."

No. 246

February 12, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following, from our London office, is the BBC Weekly General Directive:

1. The main things to be emphasized during the coming week are German sources of diplomatic, economic, military, and social weaknesses; sources of allied strength.
2. The military difficulties of Germany:
 - a. Hitler is forced now to use up the reserves, which he had planned to hold for the Spring and is pledged to a Spring offensive aimed at knocking out Russia.
 - b. By Spring, Rommel is pledged to reach Suez.
 - c. To be of any use to Hitler, Japan must break through to the Indian Ocean in force and by Spring be free to attack Russia.
 - d. A defense must be provided by Hitler against forthcoming big air offensive by Anglo-Americans.
 - e. While waging the battle of the Atlantic against supplies arriving, he must also supply Rommel at sea.
 - f. There is need by Hitler for bolder use of the Italian fleet, Spanish cooperation, more troops from his

vassals, concessions from France, Japanese aid in the Indian Ocean and against Russia, and Turkish complaisance and disaffection in Egypt, Africa, and Arabia.

g. The vassals are restive, their rulers increasingly doubtful of victory by Germany, and their people increasingly anti-German.

3. Social and economic problems of Hitler:

a. He must alleviate the shortage of manpower.

b. He must solve the problem of growing transport which is aggravated by shipping losses, a shortage of gasoline, deteriorating rolling stock, and shortages of rubber and lubricants.

c. The growing danger of inflation must be averted by him.

d. Hitler must contend with the increasing flood of disease for which there are neither skill nor medical supplies.

e. Hold the home front in face of military opposition to the party and solve the growing problems of administration.

4. Sources of allied military strength:

a. The Russian Army is growing in confidence, fighting power, experience, and has unlimited reserves, holds initiative, has increasing equipment and is unhampered by

"unreliable elements."

b. The Luftwaffe is outnumbered by the allied air forces on three fronts.

c. Supremacy is retained by allied navies in all waters except in the Pacific temporarily.

d. Actions are being delayed in the Far East to insure that Japan won't smash through to the Middle East in time to combine with the Spring offensive of Hitler.

5. Social and economic strength of allies:

a. Production is exceeding expectations.

b. Allies have no major transport problems in agriculture or industrial problems of administrative manpower which cannot be solved easily.

c. Allies are in excellent health.

d. A free political system in America and Britain prevents internal stresses from developing in a manner in which unity is likely to be threatened.

6. The main themes should be: production, reserves, ships, air power, transport, organization, religion, health, freedom from anti-Semitic atrocities, and tyranny, schools and children, Axis disintegration, European resistance, and inter-allied solidarity.

7. The themes should obviously not be in the news bulletins but in the editors' minds. The bulletin should

simply contain facts separating the themes arranged in an unostentatious manner to produce in the listener the right train of thought. News should seem guileless without being so and so not be too keen to round up relevant facts with too tidy a pattern.

No. 247
February 13, 1942
6 P.M.

MEMORANDUM TO THE PRESIDENT

FROM: William J. Donovan

RECONNAISSANCE REPORT ON PROPAGANDA WARFARE DURING WEEK ENDING
FEBRUARY 13, 1942

This report concerns Axis broadcasts for the week ending Friday, February 13, 1942, and is based on:

1. Monitoring reports of the Federal Communications Commission.
2. Available information from the British Broadcasting Corporation Monitoring Service.
3. Reports of the Columbia Broadcasting System's short-wave listening station and National Broadcasting Company's listening post.
4. Independent listening by the staff of the short-wave intelligence unit of my office.
5. Analysis of other available news from Axis sources.

This was the week in which:

The Japanese invaded Singapore; U-boats, apparently with impunity, sank our ships and drowned our men; the role of Vichy in world affairs was beclouded so that no one could feel certain in his mind about what might be occurring there;

the Scharnhorst, the Gneisenau, and the Prinz Eugen slipped out to do us more hurt; a bomb exploded in Tangier and our anxiety demanded to know if the explosion were a signal; the Battle in Libya was not in our favor; the Normandie burned and rolled over at her pier; nerves grew taut in Australia; the Russians, the Chinese and the Dutch failed to provide their customary measure of solace; our Congress dickered.

While these events set up their separate clamors for the attentions of the world, Democracy spoke up for itself when:

The Navy Department disclosed the heartening details of the raids on the Gilbert and Marshall Islands.

Axis propaganda attacks during such a week might be expected to be simple and direct. They were:

The Axis used its victory-news to carry words designed to confuse, worry and disunite its enemies. There were no new weapons brought into play, no new techniques exhibited. Only the increased velocity, made possible by the momentum of events, distinguished this week's Axis propaganda from last week's.

A paragraph from an analyst's report on Thursday:

"Tokio in English quoted John Gunther, The London Times, and Ernest Hauser to prove that Singapore was generally held to be impregnable. Tokyo inferred from this that the Japs are supermen. A Japanese Super-Floyd Gibbons

let himself go describing the entry of Jap troops into the city: "It seemed like a dream. The grimy-faced soldiers... grasp each others hands, slap each other on the back, and cry with joy. Some are sobbing out loud...clasping to their breasts the bundles that hang about their necks...containing the ashes of their buddies who were not there to see the entry into Singapore..."

Answering the President

Axis broadcasters on Wednesday answered the President's sober comments about the war's duration. They did not, of course, report anything the President said, nor give any indication they had heard of his remarks.

But analysts noticed a remarkable increase in the voltage of "New World" propaganda from both Tokio and Berlin, starting Tuesday night and continuing until Thursday.

From an analysts report on Wednesday: "Berlin is devoting increased air time to explaining and extolling its "New Europe" setup. Beamed on England and the United States was the recurrent announcement that "New Europe" has introduced uniform price policies since the first of the year, industries, and foodstuffs have been introduced, Berlin said. The announcer explained how Europe will thus rapidly develop mass production methods, achieve cheap prices, eliminate custom duties, and fondle the millennium."

PREPARATION FOR A THRUST INTO WEST AFRICA

Axis propaganda this week has given increased attention to Western Europe and Africa in familiar terms. The bomb explosion in Tangier received more attention than its importance as an isolated news story would warrant. Portuguese troop movements to the Colonies, the Portuguese elections, anti-De Gaullist harangues, and the meeting of Spanish and Portuguese leaders in Seville all were swollen out of proportion.

On the basis of propaganda intelligence alone, it must be predicted that an Axis thrust into Western Africa is imminent.

A LATIN-CATHOLIC "NEUTRALITY BLOC"

An analyst specializing in Falangist propaganda reported on Wednesday that all evidence pointed to the probable formation of what he termed "a Latin-Christian Neutrality Bloc" of Vichy, Spain, Portugal, and their Colonies.

"Such a bloc," he wrote, "might not only try to preserve the Colonial Empires of the three countries, but would form a link between Axis Europe and Latin America."

The conclusion was based on analysis of Vichy, German and Italian propaganda broadcasts and without benefit of reference to diplomatic intelligence. (Documentation on which the conclusion was based is included in last Wednesday's propaganda reports.)

What we did in anticipation of the formation of such a "Neutrality Bloc":

Our news and feature scripts, offered to the short-wave broadcasters, as well as the broadcasts prepared in this office, have taken the President's Four Freedoms as a principal directive.

Japanese protestations by short-wave to South America have disclosed acute concern over the possible repercussions in Christian countries of the Japanese domination of the Philippines and the Malay states.

Every day we have found new facts to substantiate our continuing thesis that this war, while not a religious war, is in many respects a war for religious freedom.

Monitoring discloses that as United States short-wave broadcasts transmitted more news touching on this subject, Tokio short-wave broadcasts transmitted more and more hysterical arguments about it. The arguments helped make more news for us.

By now, we hope we have gone a long way toward establishing that Axisism and freedom of any religion are, by definition, incompatible.

TERROR TACTICS FOR AUSTRALIA

Rome, Berlin and Tokio decided on successive days this week that the fall of Singapore meant the destruction of the British Empire.

Australia, the next announced objective of the Japanese, took its full share of terror propaganda -- plus the usual nerve-wracking, degrading double-talk. Here is a sample: (Berlin in English, beamed to Australasia, February 5, 9:15 AM EWT) "Now that the war in the Pacific is near Australia, she finds herself in a hole. She has dissipated her fighting strength all over the world.

"The argument that Australia has been taken by surprise is invalid. The man in the street had been told that Japs would have to be fought one day. He should have prepared himself in every way, or else make an agreement with the man they regarded as their enemy.

"No two ways about it today. Either Australia fights Japan, which she cannot do, or she must change her foreign policy. That foreign policy rests on the assumption that Canberra can ignore Tokio.

"Now that the time has come, with the rising sun over Australia, Churchill should lay his cards on the table. Why does he continue to build up anti-invasion forces of American troops, instead of sending the ships into the Pacific? Why does he continue his prestige offensive in North Africa? Why does Churchill not send the ships bringing supplies from England to Egypt, so that Australians can be sent home? Why does he not send a big fleet of capital ships to the defense of Australia?

"These questions ought to be asked by Canberra. But Australian politicians have either been bribed or persuaded by Churchill. They prefer servility to the United Kingdom. We only have to look at Curtin to prove it. *John Dewey made in*

the New York Times "Hughes recently denounced those who are interested more in defense of their own country. This was on orders from abroad, in reply to a Curtin statement earlier that no one should place everything in the hands of one man. Curtin was subsequently brought around. The Fifth Columnists of Downing Street in Canberra."

And Tokio in English, the same day, remarked:

"Lord Roberts once made two predictions: That Britain and Germany would fight, and that the fate of the world would be decided at Singapore.

"That the British realized this is shown in their building of the great Singapore base, which is crucial in the triangular defense system of Hong Kong, Singapore and Port Darwin.

"The Japanese advance has taken Hong Kong, negated Singapore and isolated Port Darwin."

THE AXIS ON THOMAS E. DEWEY

The Berlin propaganda stations, broadcasting in English today, offered the following bulletins:

"The well-known Republican, Thomas Dewey, confirms the growing of an organized opposition against Roosevelt's

bellicose adventure, not only in the large American industrial towns, but also in Washington. Dewey added that these groups intended to publish plans for peace negotiations. These (one word sounding like "revelations"), which Dewey made to the National Republican Club on Lincoln Day, prove Roosevelt's war has by no means become more popular in the few short weeks since the outbreak of fighting."

No. 248

February 13, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

In order to give privacy and security to both our Special Intelligence Service and our Special Operations group, we need to have a separate building.

It has occurred to me that if the State Department passes upon the legality and wisdom of seizure we would, with your permission, like to obtain the use of the Japanese Embassy.

No. 249

February 13, 1942

6:00 P. M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

At the request of the State Department, we have sent two of our men on the tanker now enroute to Spain.

No. 250

February 13, 1942

6:00 P. M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

By arrangement with the State and War Departments, we are sending Colonel Robert Solborg, who is head of our Special Operations group, to Lisbon. From there he will direct operations in North Africa and at the same time make whatever arrangements are necessary in Portugal.

THE WHITE HOUSE
WASHINGTON

February 16, 1942.

MEMORANDUM FOR

W. J. D.

In regard to your No. 251,
February 15th, you might talk this
over with Admiral Standley and have
him advise you as soon as he gets
to Russia.

F. D. R.

No. 251

February 15, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

We have learned from our London office that the British government is sending a press attache' to Russia in the person of John Lawrence, who they say is identified with neither ideological right or left although he is deeply interested in Russia. He has been employed by the BBC in one of their intelligence departments and is an expert on radio. He will have three principal tasks:

(a) To seek use of official Russian radio channels to present picture of British war effort which is now virtually unknown there.

(b) To recommend what can be done here to promote good reciprocal relations including shipments of Russian films, etc.

(c) To seek Russian agreement in a coordinated propaganda line to neutral and occupied countries.

Of course, if we could have a man located there with our mission who was in a position to work along the same

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lines in conjunction with our Allies, it would be a very helpful thing. Do you think it advisable to try for this now?

No. 252

February 15, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following was sent to us by our Intelligence Office in London:

"1. Colonel Valence, former editor of London News Chronicle and Military Intelligence Liaison man with PWE Italian section, stated in today's Italian PWE meeting that Churchill is studying the doubtless authentic report on atrocities carried out by Japanese in Hongkong.

"2. The stated atrocities include bestialities extraordinary in nature such as mass executions under ghastly circumstances and numerous instances of English and other European nurses dying from repeated rapes.

"3. Whether or not to publish any or all of the report was expected to be decided by Churchill, Valence stated."

You may already know about this but in the event that you do not, I thought I ought to give it to you.

No. 253

February 14, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following was prepared by Mr. Edmond Taylor who is on our Planning Committee and who wrote "The Strategy of Terror".

"It seems to me that it would be very valuable, both from the point of view of prestige and from the point of view of utility, for the COI to create a special staff of Reporter-Propagandists who could be assigned as special correspondents to proceed to areas which are not covered adequately by the regular newspaper correspondents for our purposes, and provide us with copy about these areas which could be used both in our shortwave radio programs and for domestic release.

"If this proposal seems practical, I would suggest hiring several well-known foreign correspondents especially for the purpose and utilizing the former foreign correspondents on the staff who might be suitable for this purpose.

"Correspondents used for such assignments should

be given a brief course of training and rendered thoroughly familiar with our working requirements. Between assignments they could either be utilized as consultants or released on call.

"The advantage of a special staff of our correspondents over the regular correspondents is double. In the first place, they would be working for the Government, subject to the discipline of this office, and therefore less embarrassing to handle from the point of view of any military authorities to whom they might be assigned. The question of the freedom of the press would not arise. In the second place, they would know our needs; they would have a constructive rather than a purely journalistic point of view, and they would be looking for copy to nourish or reinforce our propaganda campaigns rather than copy intended only to give the readers a thrill.

"The following are some examples of how special correspondents of this type could be put to profitable use:

"1. Our propaganda work has been seriously handicapped by lack of good eye-witness material from the Philippines, written from the point of view of its propaganda value. It might be extremely useful to send a special correspondent by plane to cover MacArthur's last stand so as to bring out all

the drama in it. of the Yugoslav patriots."

"2. By arrangement with the Navy Department, one of these correspondents should be sent to Honolulu and placed under the orders of Admiral Nimitz in order to accompany task forces of the Fleet on daring raids under circumstances where the Navy might hesitate to allow a normal newspaper correspondent to go.

"3. A correspondent should be sent by boat, submarine, plane, parachute, or whatever the exigencies of the local situation require, to Yugoslavia to join General Mikhailovitch's Army for a short period of time and to come out to write about it. The mere presence of such a visitor on such a mission would be a great inspiration and encouragement to our Balkan Allies and would show them that the Free World appreciates and values their heroic resistance at its true worth.

"At the same time the correspondent could bring back a confidential report on propaganda requirements in the Balkans.

"Finally, after deciding with the Yugoslav and British authorities how much could be printed, he would certainly have enough first-class journalistic material to feed our radio programs in many European languages for days and days and thereby bring to all the occupied peoples of Europe the

February 13, 1942

8:30 P.M.

inspiring example of the Yugoslav patriots."

Following are comments made by Colonel Braceta,
Spanish Military attaché to Spain who returned
Barcelona, January 15, on Cabo de Hornos:

1. Although France will not voluntarily enter
war, it is willing to see such action taken and
Spain will join her by force.

2. Spanish resistance at Bilbao, Barcelona, and
other cities is being fought as hard as Germany.

3. Spain's budget for last two years has allowed
the production of war material for Germany and Italy.

4. In the event of German invasion there would
be considerable resistance both from Army and guerilla
forces.

5. Large percentage of wheat imported by Spain is
from the Axis."

No. 254

February 14, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

Following are comments made by Colonel Bianchi, Uruguayan Military Attache' to Spain who returned Montevideo, January 26, on Cabo de Hornos:

"1. Although Franco will not voluntarily enter war, it is unlikely he can resist German pressure, and Spain will be at war by Spring.

"2. Munition factories at Bilbao, Barcelona, and Andalucia are working for an under control of Germans.

"3. Spain's budget for last two years has allowed for manufacture of war material for Germany and Italy.

"4. In the event of German invasion there would be considerable resistance both from Army and guerilla bands.

"5. Large percentage of wheat imported by Spain is taken by Axis."

No. 255

February 16, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following report of the British Ministry of Economic Warfare comes to us today from our London office:

"Estimates that at present the occupied countries are contributing annually fifteen billion RM to Germany. This represents "occupational costs" as well as sums in RM standing to country's credit in clearing. Occupied territories are thus financing about one-sixth of Germany's total public expenditure, which is estimated at one hundred and ten billion RM annually. The total civil expenditure of Germany is estimated at about thirty-nine billion RM. The occupied countries are, therefore, replacing about 40% of the reduction in standard of living in the greater Reich, or alternatively, over 20% of the war effort cost.

"The staffs of German metallurgical factories are being depleted by call-up for the Eastern Front, and, according to the Reichsarbeitsblatt, entire staffs from managers down will be transferred from France to man German factories."

No. 256

February 14, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

We have in our New York Office Mr. Hendrik de Leeuw, a Dutch writer and photographer, who is anxious that you have certain motion pictures, taken by him shortly before the Nazi invasion of the Netherlands. The pictures are of what he states has become known as the Roosevelt Ancestral Place, at Oud-Vossemeer-Tholen, Zeeland.

I am glad to send the films along to you at this time. You might like to have them for your library.

No. 256

February 17, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

Through an indirect contact we have been given the following information:

"Next move of the Nazis will be frontal attack on New York, synchronized with general Nazi organized revolution in all South American countries, timed to follow closely the fall of Singapore."

This same source has previously given correct information regarding moves of the Axis in Europe and the Orient.

No. 257

February 17, 1942

6:00 P. M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

We have learned through Polish sources that the Russians believe that the Japanese will soon attack Russia in the East. Their military people consider that they have enough divisions to make this attack in addition to their attack in the South.

No. 258

February 17, 1942
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM:

The attached is a memorandum which has just come to me from General Van Deman who, as you know, is located on the West Coast. I think you remember him, but if not, he was in charge of intelligence under General Noland in the last war and he is considered as the best authority on Communism.

loyalty of all of them removed persons are for their care
and subsistence after being removed from their places of
residence.

According to the public prints, there is a Congressional Committee now on the west coast, which among other things, is recommending certain action in connection with the disposition of alien enemies out here. According to the papers of this morning, they intend to recommend the removal of all persons--citizens and aliens alike--from certain areas designated as "strategic." Apparently after these persons are removed leaving these areas entirely without population, they are to be examined (by what method is not stated) and those who are believed by the examiners to be loyal, are to be allowed to return to their homes. This appears to me to be about the craziest proposition that I have heard of yet. It entirely ignores the fact that all three of the investigating agencies designated by the President have been intensively investigating people on this coast for over a year past using every facility at their disposition. It also makes no provision whatever for the care of abandoned houses and property which of course would be entirely at the mercy of thieves and arsonists. It makes no provision for the gathering of information concerning the

loyalty of all of these removed people nor for their care and subsistence after being removed from their places of domicile and business. It does not take into consideration the fact that it would very seriously disrupt not only the normal business and social life of the entire community in which these strategic areas exist, but it would be most seriously interfering with the manufacture of airplanes and other similar defense material.

It is apparently proposed to investigate all of these citizens and others who are to be summarily and immediately removed from their homes, after they have been segregated at a distance from the community in which they live. Just how such an examination would be carried out, seems difficult to imagine. The evacuated people--citizens and aliens--would have been moved to a distance from the communities in which they live and the witnesses who would have to be called to prove their loyalty or disloyalty would not be available. It does not seem possible that such an investigation could be carried out with any degree of accuracy or fairness.

It certainly seems to me that this is an entirely unbaked and illy considered proposition. In addition to the ill effects I have noted above and many more which I have not

noted, it is morally certain to throw into the arms of the Axis powers numbers of the second generation Japanese and other aliens in this area.

So far the Pacific Coast has had little hysteria. Such a movement as this would certainly bring it on and of all areas in the United States, this area should be kept as free from hysteria as it is possible to do.

No. 260

February 18, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

We have received the following cable from our London office:

"With reference to production for Germany of French aircraft, the program for 1942 is as follows: 3,000 planes of which 1/5 is for France and 4/5 is for Germany. This information is reliably believed to be a leak from the French Government. This fits into report of a year ago as to agreement in principle on the 1/5-4/5 division by Flandin, French representative, with Germany."

No. 261

February 18, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

Shortly after the Japanese attack on the Philippines, we started a twice daily direct news service to General MacArthur. It was started at his request and sent via Navy wireless to radio Cavite in the Philippines addressed to General MacArthur and or Bert Silen, representative of the Coordinator of Information in the Philippines for general distribution.

On several occasions since then the Navy Department has asked us to reduce the size of our news service to General MacArthur. This we have done. Late last week the Navy Department asked us to "cut the service to the bone" holding it to a maximum of 500 words twice daily. On February 15th our service was reduced as requested by the Navy to 500 words twice daily, and we included a note to General MacArthur explaining the reduction.

In this note we informed him that the Navy had indicated to us that due to overcrowding of Army and Navy

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wireless to the Philippines, the Chief of Staff and the Chief of Navy Operations have requested us to reduce our news service to General MacArthur to a maximum of 500 words twice daily.

Today General MacArthur replied as follows:

For Coordinator of Information.

"Your dispatch of February 15th limiting our daily service to 500 words is not understood. No repeat no such request has come from the Army here. Rather it is desired to increase the service to a more complete coverage of war, world and states news."

MacArthur

We are proceeding to arrange for the service desired by General MacArthur.

No. 262

February 18, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

Your warning to the American people concerning Alaska prompts me to submit the following conclusions resulting from a discussion with General McCoy after Bill Bullitt's talk to us yesterday.

A jump-off for our ultimate offensive against Japan is Alaska. This area possesses unlimited opportunities as a great air base for the employment of Long-range bombardment aviation against Japan. From the Aleutian Islands we have a closer approach. The Japanese general staff must know this.

It appears logical that once Japan feels secure in the south she will direct her military efforts towards Eastern Siberia, especially that area from which Russia could deliver her attacks against Japan proper. It would be necessary for her also to neutralize Alaska.

The security of Alsaka, therefore, must be established beyond all doubt. The rapidity of events can make delay disastrous. In our discussion three things seemed essential - to be done immediately:

1. The movement of air, anti-aircraft, and ground forces to Alaska to make certain its defense against any Japanese attack.
2. Immediate preparation of air bases in the Alaskan area from which operations may be commenced for the defeat of Japan. (This is a place from which we could really get the initiative and have a chance of upsetting Japan's plans.)
3. Development at once of both air and ground systems of communication from the United States to Alaska in order that the logistics of that territory may not be dependent upon sea communication.

We have sent to those officers who are looking over the proposed Alaskan routes the plan for the short route to Alaska which I submitted to you some days ago. I do not know whether you have had a chance to read that proposal but if you have a moment I wish you would look at it. It is interesting to consider it in relation to other road proposals. It seemed to us here that it has two elements in it that seemed to give it certain advantages over the other two

routes. The first is that it gives us a route direct from Chicago and can be used immediately, once the construction of a winter road is completed from Normal Wells to Mayo; second, the facilities of the Abasand Oil Company at Fort McMurray; and third, almost immediate use because the route parallels either railways or downstream navigation as far as Norman Wells.

February 18, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

1. The following are excerpts from a report of British Home Intelligence for the week ending February 9. Due to the following there is further slight decline in public spirits:

a. Continued reverses in the Far East and Middle East. ("We do not appear to be able to accomplish anything anywhere.")

b. "Disappointing" governmental changes which are considered as being "nothing but another reshuffle". The "only bright spot in the news" is the continued offensive by the Russians, although this does not any longer counteract the depression brought about by the realization of seriousness of the situation in other theatres of war.

2. Libya. Anger and profound disappointment exists because of Rommel's "triumphal progress through Cyrenaica". People "would allow full credit for difficulties and would be more philosophical if the Prime Minister and other Spokesmen of the Government had not been so confident at the beginning. The public is also extremely perplexed by

the reversal of conditions. There is a tendency to blame the army command for "repeated underestimation of the enemies' strength" and for its handling of the military situation. "Libya tanks" and "inferior armament" are mentioned.

3. Little interest is aroused by the Egyptian crisis beyond vague fears of the effect on the stability of the Middle Eastern situation.

4. As for the Far East there is almost fatalistic acceptance of continued successes by Japan, somewhat counteracted by the belief "in the end we will win once we and the Americans really get going".

5. Admiration for resistance of the Dutch in the East Indies and for General MacArthur's Philippine stand continues. Some comparisons are made between their activities and the lack of accomplishment in Malaya. British methods as compared with those of the Americans were also criticized recently, principally with respect to the speedy and thorough inquiry into the disaster at Pearl Harbor, followed by the candid report and immediate charges. The British inquiry into the sinking of the REPULSE and the PRINCE OF WALES was cited in contrast and was looked upon as an endeavor to keep the public from knowing the truth.

6. Burma. There is considerable interest and feeling for the Chinese which tends to become not unlike the warmth of feeling displayed toward the Russians. There is also some belief that the best hope "of ultimately smashing Japan will be from a completely equipped China".

7. Ministerial changes were dismissed as "merely another game of general post office". In some quarters it was believed that Churchill "has not made the changes as a matter of conviction, but rather as a matter of political expediency". Of thirteen regions, eleven report continued criticism of the Government and in some quarters this was stated to have increased in intensity since the debate on the war situation.

8. There is favorable reaction and a general feeling of hopefulness to the newly announced Ministry of Production. Of the thirteen regions, three mentioned Beaverbrook's appointment with unconditional approval, but it is regarded with reserve by large sections of the public. It is acknowledged that he has "initiative and great drive", but it is suggested that "his methods have their own dangers. If tanks are required, he will burst himself to get tanks, but in the meantime he may forget Spitfires".

9. Cripps. There is widespread popular enthusiasm for Cripps and considerable regrets that he was not taken into the Government and "harnessed with the war effort". There is some speculation why he was not included, but it is hoped that he will be given "an outstanding job before long". People were impressed with both the substance and the manner of his address over BBC, which was met with lavish and almost spontaneous approval and was considered to be "one of the best we have had".

10. Russia. Admiration and relief continue, but it is commencing to be asked if this great achievement will be enough to prevent an even more powerful counter-offensive by the Germans in the Spring. There is an increasing tendency to compare the successes of the Russians with failures of the American and British and "the brilliant conduct of the Red Army's offensive in contrast with Britain's own generals".

11. Relations between British troops and Americans in Ireland. There is a rumor prevalent in Northern Ireland that relations between American and British soldiers are somewhat strained. Two reports have been received of fights in the streets of Belfast and it is reported that "the phrase heard in the last war is being repeated by the

Americans, "we have come to win the war". However, according to North Ireland Regional Chief Informat (sic) "there is a complete absence of hostility towards Americans among the civil population and these soldiers have in fact expressed appreciation of the hospitable welcome received by them". Many people are inquiring that since this contingent is obviously only the first, American troops will ultimately replace British troops in North Ireland. There is uneasiness among many people that the defense of Belfast might be left to these men and a general desire that British troops should remain. In Northern Ireland there was a great deal of criticism of the publicity given to the American arrival and especially mention that troops are being billeted in houses. Information of this kind is looked upon as direct invitation to enemy to bomb civilians.

12. Industry. Six regions as compared with three last week reported new wave of talk about slackness in factories. Complaints: Workers blame management on profiting and encouraging slacking. Government is blamed by managements on indecision and red tape and the workers for not pulling their weight and for absenteeism. Government inspection is "nullified by an unholy cooperation between management and workers. Everybody goes raving mad

when the Government inspector comes around, workers are told to look busy, and then when the inspector leaves, the 'all clear' is given". Resentment at criticisms made by delegates of the Russian trade union has given place to "overwhelming approval of the points they made and general convictions that their criticisms were understatements of the facts". Cost plus 10% system gets criticized by workers together with feeling that "many people are making tremendous profits out of this war". Any proof that war materials made in Britain have actually arrived in Russia is said definitely to raise production.

13. Public is perplexed at the slowness in calling into the forces young women and men. Comparative failure of a three-weeks campaign in North Hamptonshire for women volunteers is reported with only two hundred enlistments where it was hoped there would be one thousand. Reasons were given:

a. Feeling that government would call them up if it really wanted them.

b. Short hours and good wages in local shoe and boot factories and pride in their craft.

c. A feeling that they are already doing a war job in comfort, coupled with local evidence of slack

time in factories producing munitions.

d. Employers' opposition, all of whom, probably at least used pressure indirectly.

e. Desire to retain, "after the war", employers' good will.

14. In many reports of drinking and rowdyism by girls and young men, high wages for youngsters is blamed.

No. 264

"(1) Time is approaching when often February 18, 1942
renewed by Germany and when it will be dis-
covered by Russia that in her cost 6: P.M.
campaign she has sacrificed essential troops
and equipment.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

We have just received the following from our London
Office:

"For the week preceding February 13, German Home
Propaganda increasingly stressed Russia.

"The worst is over and spring is approaching
We have learned that we cannot be beaten".

"Publication for first time of Russian operational
map of 7 December was offered by propaganda machine as:

- "(a) Proving that a phase of the fighting is past.
- "(b) Demonstrating that claims by Russians of great
advances are without foundation.
- "(c) Illustrating that although the Russians are ob-
taining certain advantages from winter they
have failed to achieve a single success of
operational significance.
- "(d) Advances by the Russians have never been more
than local.
- "(e) Russia could attack only because a defensive
policy was decided upon by the German high
command in recognition of the limitations of
winter.

"(f) Time is approaching when offensive will be resumed by Germany and when it will be discovered by Russia that in her costly winter campaign she has sacrificed essential troops and equipment.

"Attention given to the Far East declined steadily, but great emphasis placed on Singapore, Burma fighting, and "Virtual destruction of Netherlands East Indies fleet". Phillipines barely mentioned.

"Campaign for increase in production intensified with particular attention to further "rationalization" of individual concerns and groups of firms.

"Sir Stafford Cripps broadcast strongly played up in revival of theme of willingness of Britain to deliver Europe to Bolshevism.

"Apart from submarine sinkings off the East Coast very little about the United States is heard by Germans."

No. 265

February 18, 1942

6:00 P. M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

You may recall that I told you that the State Department had sent to me Count Biondi with a request that I use him for establishing a line of communication with the Apostolic Delegate. This I have done and have submitted from time to time to James Clement Dunn (who was designated by Secretary Hull to deal with this) certain requests of the Apostolic Delegate.

I had a long visit with the Delegate and from him obtained assurances that there would be made available for us information from all over the World that would be received from their various delegates.

He recognizes that a Hitler victory might well mean a modern Avignon for the Papacy. I think that he is very anxious, unofficially, to help in every way possible.

Their official position, he stressed, must be one of strict neutrality, but I am sure he feels that when the war finally ends their position must be beside us.

No. 266.

February 19, 1942.
8:30 A.M.

OK
JDR

MEMORANDUM For The President.

From: William J. Donovan.

On Saturday, February 21st, there will be commemorated the entry of the Rainbow Division into the front lines in France early in 1918. As you know, McArthur was a member of that Division. They have asked me to speak, with certain other officers of the Division. I would not speak more than five minutes (although I know a lot of harm can be done in even that short a time). If you have no objection, I would do so, upon the theme that production alone cannot win but we must dedicate ourselves to fighting. If you prefer that I do not speak at all, would you please let me know.

THE WHITE HOUSE
WASHINGTON

February 19, 1942.

MEMORANDUM FOR

W. J. D.

No. 267

Please take this up with
the Secretary of War and Sumner
Welles. It is well worth dis-
cussing.

F. D. R.

Proclamation returned to WJD.

February 19, 1942
8:30 A.M.

MEMORANDUM For The President.

From: William J. Donovan.

I

Previously I have advised you that we were considering a guerilla operation in the Phillipines.

For some time since we have been working on the possibility of installing fighting forces in all islands not yet occupied by the Japanese.

II

In the course of these studies we have had occasion to note that the Japanese already have made great progress in the political domination of the Islands. They have established in Manila a "Provisional Council of State" composed of thirty well-known representatives of the several geographical regions of the Phillipines. Under an order issued by the Commander of the Japanese Expeditionary Force, a Phillipine "Executive Commission" has been set up composed of members of the Council. This Council of State has informed the Japanese Commander in Chief that it is immediately proceeding to draft articles of organization "in line with your Excellency's advice."

All of this has led us to the conclusion that unless counter action be taken at once the Japanese will soon be successful in setting up a complaisant cooperative puppet government.

III

In considering the possibilities of such counter action, I have conferred with General Frank McCoy (military consultant with us), Dr. Joseph Hayden (former Deputy Governor of the Philippines and now head of our Far Eastern Section), and Colonel Courtney Whitney, of the Army Air Staff. We have reached the following proposal which I respectfully submit:

IV

The United States has an obligation to defend the Philippines by the exercise of political leadership as well as of armed force. In the existing situation that leadership can be exercised only by the President.

In line with this principle there is attached a suggested Proclamation to be made by the President, with the assumption that it is to be followed by vigorous and daring military action.

There may be many reasons, of which I am unaware, against such a proposal, but if you find good reasons to so act it would constitute an affirmation of your existing Philippine policy and would prevent the Japanese or Filipino collaborationists from propagandizing that policy as denying the Philippine aspirations for political independence.

Moreover, it would be a rallying point for resistance in the Far East, would show the Japanese that the fight has just begun, and would make our own people realize that we can take the initiative.

V

As to the form and content, effort has been made to keep the draft within the letter and spirit of the statutory and constitutional provisions for intervention (Par. 14, Sec. 11, Act of March 24, 1934, and Sec. 15 of the Ordinance appended to the Philippine Constitution). It sets up flexible machinery for exercise by the President of as much or as little of the functions of the Government as may be required in each locality. It contains no direct threat against those Filipinos treasonably inclined but makes definite the day of reckoning for the transgressor. It is intended to assert and to preserve the authority of the United States and the

Philippine Commonwealth within the Philippines.

No. 268

February 19, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT:-

FROM: William J. Donovan

Here is the third in a series of sermons preached by Bishop von Galen in Munster. It appears that as a result of these sermons many leading members of the Center Party have been put in prison. However, the Nazis have not taken Bishop von Galen. Munster was arrested in 1937 but was released on order of General von Klugel.

My Brethren, in the Pastoral Letter of the German Bishops on June 26 which was read in all the churches of Germany on July 6, it was stated:

"There are, no doubt, according to Christian doctrine, commandments which are not binding when their observation demands too serious sacrifices, but there are sacred duties from which no one can release us and which we must fulfill even at the cost of our lives. Never, and under no pretext may a man, except in the case of war and legitimate defense kill an innocent person."

I have already had occasion on July 6 to add the following commentary to the words of the Pastoral Letter:

"For several months we have known that patients who have been ill for a long time and who appear to be incurable are, on orders from Berlin, forcibly removed from homes and clinics for mental diseases. Their families, after an interval are then regularly told that the patient has died, and that the body has been cremated and that the ashes can be claimed.

"Generally one suspects, and this suspicion has become almost a certainty, that these numerous cases of unexpected death are not natural, but often deliberately caused and are the result of doctrines that it is justified to suppress 'life which is unworthy of being lived,' accordingly,

it is justifiable to kill innocent men when it is thought that their lives are no longer useful for our people and for our country.

The horrible doctrine, which claims to justify the murder of innocent men, and which gives legal sanction to the forcible killing of invalids who are unable to work, of the maimed, the incurable and the enfeebled.

FIRST BATCH FROM MARIENTHAL

According to what I have learned on good authority, the practice in homes and clinics in Westphalia is to draw up lists of such patients who are to be transferred elsewhere as "unproductive citizens", and after some time put to death. During this very week, the first batch of these patients has been sent from the clinic of Marienthal, near Munster.

German men and women ... Article 2 of the Code of Penal Law is still valid, and according to this code anyone who deliberately kills a man by premeditated act will be executed as a murderer.

It is in order to protect the killers of these unhappy patients against this legal penalty that the patients who are to be put to death are removed from their place of residence to some distant institution. Some disease or other is then given as the cause of death, but as the bodies are immediately cremated neither their families nor the

regular police can afterwards find out whether the disease is genuine nor what was really the cause of death.

I am assured that at the Ministry of the Interior, and at the office of Dr. Conti, the head of Government doctors, it is openly known that a great number of mental cases have already been deliberately put to death, and many more will follow in the future.

In Article 139 of the Penal Code of Germany it is laid down that anyone who knows from a reliable source of any plot against the life of man and who does not inform the authorities or the intended victim of it in time, will be punished.

BISHOP'S PROTEST

When I heard of the proposal to remove patients from Marienthal in order to kill them I informed the Tribunal of Munster and also the head of the Munster Police in a registered letter as follows:

"On account of information which has reached me during this week, i.e., the week of July 31, a great number of patients from the provincial clinic of Marienthal are to be removed as citizens alleged to be unproductive to the clinic of Eischburg, in order to be put to death as, according to general opinion, has already been done in the case of other patients who have been similarly removed.

"As such an act is not only contrary to the moral law, both divine and natural, but should also be punishable by death according to Article 211 of the Penal Code, it is my duty in accordance with Article 139 of the

same code to bring it to the notice of the authorities.

"I demand immediate protection for my fellow countrymen who are thus threatened against those who intend to remove them and put them to death, and I demand to be told of your decision."

No news has come to me, of any steps taken by the Tribunal or by the Police.

On July 28, I had already sent a strong written protest to the provincial administration of Westphalia who are responsible for the institutions to which these patients have been entrusted in order to be cared for and cured. It was all to no purpose. The first contingent of innocent people have left Merienthal under sentence of death and from the clinic of Waestein I am told that 800 patients have been removed.

We must, therefore, expect the news that these poor defenseless patients will sooner or later be killed. Why? Not because they have committed any crime deserving of death; not because they have attacked one of their wardens or nurses in such a way that the latter in legitimate self defense might be forced to save their own lives by using violence against their assailants.

WHY THEY DIE

No, it is not for reasons of this kind that these unhappy patients are killed.

It is simply because in the opinion of some doctor, in the view of some committee, are "unworthy to live": because in their eyes they are to be classified among unproductive citizens. It is thought that they can no longer produce riches, and that they are like old machines which can no longer work, like an old horse which has become incurably lame or like a cow which can no longer give any milk.

Have you or have I only the right to live so long as we are productive; so long as others, therefore, regard us as productive?

If one admits the principle that unproductive men may be killed, then woe to all of us when we become old and weakened by age. If one may kill such men, woe to all individuals who, in order to produce wealth, have used, sacrificed and worn out their strength and their arms. If one may by violence kill our unproductive neighbors, then woe to our gallant soldiers who come back to their country, wounded and maimed and sick.

NONE SURE OF LIFE

None of us then will be sure of our life. Any committee can put a man on the list of unproductives, when it judges that he has become unworthy of life. No police can protect him, no court can avenge his murder and inflict on the murderer the punishment he deserves.

Who can have any confidence in a doctor when he has only to certify his patients as unproductive and he can get authority to kill them?

If this horrible doctrine is tolerated, admitted and practised, it is impossible to imagine to ~~what~~ depths of depravation it will lead; what suspicion and distrust it will cause even in close family circles.

Woe to men and woe to the German people if we transgress the sacred commandment. "Thou shalt not kill," which was given to us by God on Mount Sinai in thunder and lightning, and which God, our Creator, engraved on the human conscience from the beginning of time. Woe to the German people if we tolerate this crime and allow it to be committed with impunity.

FATE OF A SOLDIER'S FATHER

I want to give you an example of what is actually happening now. At Marienthal there was a man about 55 years old, a peasant from a rural commune near Munster - I could give you his name - who for some years had been suffering from some mental disease and had been in the provincial clinic of Marienthal. He was not completely mad, he could receive visitors and liked his family to come and see him.

About a fortnight ago he had a visit from his wife and his son, a soldier at the front, who was home on leave. The son was very devoted to his father and was very upset when he left him for who could know if he would see him again, for he might fall on the field of battle fighting for his countrymen.

This son, the soldier, will never see his father again in this world, because he has been put on the list of the unproductive.

One of the members of his family who went to see the father at Marienthal was refused admission and was told that by order of the Council of Ministers of National Defense the patient had been removed elsewhere, but no one knew where. An official notice will be sent to the family in a few days' time. What will this notice contain? Will it be like other similar notices that the man has died, that the body has been cremated and that the ashes will be handed over on the receipt of money to cover expenses?

And so the son who is now at the front, risking his life for his German countrymen, will never see his father again, because his German countrymen have put him to death. I can give you the name of the patient, his wife, and his soldier son, as well as their address.

WHERE IS OBEDIENCE TO THE COMMANDMENTS?

"Jerusalem, Jerusalem, how often would I have gathered thy children as the bird doth her brood, and thou wouldest Not!"

Is history repeating itself again here in Germany, in our land of Westphalia, in our city of Munster? Where in Germany and where, here, is obedience to the Commandments of God?"

The eighth commandment lays down "THOU SHALT NOT BEAR

FALSE WITNESS AGAINST THY NEIGHBOUR." How often do we see this commandment violated publicly and with impunity?

The seventh commandment says:

"THOU SHALT NOT STEAL," but can we say that property and possessions are, being respected when our brothers and our sisters, monks and nuns, are forcibly and brutally robbed of their convents, and who protects property now if it is illegally siezed and not restored?

The sixth commandment: "THOU SHALT NOT COMMIT ADULTERY"? think of the instructions and promises given on the question of free love and maternity outside marriage in the notorious open letter published in the journals of Rudolf Hess, who has since disappeared.

And in matters of this kind what indecency and vulgarity do we not see everywhere even at Munster? To what lengths has not impropriety of dress gone amongst our young people? That is how modesty, the guardian of purity, is being destroyed, and the way prepared for unchasty in the future.

And see, too, how the fifth commandment is ignored.

"THOU SHALT NOT KILL." We see it violated under the very eyes of the authorities whose duty it is to enforce respect for law and life, when they allow the deliberate killing of innocent human beings as well as the sick, solely because they are unproductive, because they can no longer contribute to the wealth of the world.

ATTACK ON THE FAMILY

And how is it one observes the fourth commandment, which orders respect and obedience to parents and superiors.

The authority of parents has already greatly diminished, and is more and more shaken by the demands made upon the young against the wishes, of their parents.

How do you think one can preserve a genuine respect and conscientious obedience towards State authority if one continues to violate the commandments of the supreme authority, the commandments of God: if one is fighting against and trying to destroy faith in the only true God, the supreme Being, the Lord of Heaven and earth?

The observance of the first three commandments has long since lapsed in German public life, and here also in Munster.

Many desecrate and secularise Sunday and Feast days and try to remove them from the service of God. The name of God is constantly ridiculed, dishonored and blasphemed, and as for the first commandment, "THOU SHALT NOT HAVE STRANGE GODS BEFORE ME", in the place of the one, true, eternal God, men have created, according to their own good pleasure, false gods to adore -- Nature, the State, the people or the race.

For many their God is their belly, according to the words of St. Paul, their own comfort, to which everything is sacrificed, even honor and conscience for the pleasure of their senses, the thirst for wealth and ambition. Is it surprising then that they try also to claim divine prerogatives, and

-10-

to make themselves the masters of the life and death of their neighbors?

APPEAL TO THE PEOPLE

"Dearly Beloved Brethren, I hope that it is not too late, but it is certainly time to realize now on this very day what alone can bring us peace, what alone can save us and preserve us from divine punishment, and to admit openly and unreservedly the divine revealed truths, and to show by our attitude that we wish to direct our lives by the commandments of God and that we accept in all gravity the motto: Rather die than sin.

And that we wish by sincere prayer and penance to draw down divine grace and forgiveness on us, on our city, our land, and our dear German people

February 19, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

A proposal has been made to adopt a scheme to distribute spurious money throughout Italy in the following manner:

1. Lira notes in appropriate denominations, numbered and designed to appear identical with those in current use, should be manufactured in large quantities in the United States. Some special chemical should be included so that the notes can be so processed as to be readily identified.
2. These notes would be distributed throughout Italy and all Italian-occupied countries. Different methods could be used for this, including distribution by airplane.
3. Simultaneously with the distribution, an intensive publicity campaign should be started. The Italians should be invited to look at their money and decide for themselves which is good and which is bad. The Italian would know that there was a deficit in this year's budget of thirty billion lira, so the money circulated by his own government is of dubious value but if he has the money circulated by the democratic powers then he has something of value because

this could be redeemed upon the overthrow of the Mussolini government. If this objective be achieved within a specified period of time, the money that he has in his possession, circulated by the democratic powers, would be redeemed at X-dollars or X-pounds per thousand lira.

The one feature in this proposal that distinguishes it from other proposals in history is the element of redemption. I thought at least it might be interesting to see what had been done in other wars by this weapon. I am attaching a brief summary of historical research.

February 11, 1942

HISTORICAL INSTANCES OF POLITICAL COUNTERFEITING
COORDINATOR OF INFORMATION

Summary

Since the inception of the War, the Branch of Research and Analysis

counterfeiting has frequently been employed for political purposes. The chief objective of political counterfeiting is to raise funds for subversive activity. Legitimate governments have rarely resorted to counterfeiting except to create purchasing power for an occupying army. There is only one authenticated instance of a belligerent government's dissemination of counterfeit currency in order to inflate the currency and disrupt the economy of its enemy. This counterfeiting campaign, conducted by the British government against France in 1794, is generally regarded as having failed.

February 11, 1942

HISTORICAL INSTANCES OF POLITICAL COUNTERFEITING

Summary.

Since the appearance of paper currency, counterfeiting has frequently been employed for political purposes. The chief objective of political counterfeiting has been the creation of funds for subversive activity. Legitimate governments have rarely resorted to counterfeiting except to create purchasing power for an occupying army. There is only one authenticated instance of a belligerent government's dissemination of counterfeit currency in order to inflate the currency and disrupt the economy of its enemy. This counterfeiting campaign, conducted by the British government against France in 1794, is generally regarded as having failed.

I. The British Counterfeit Campaign against the French Republic, 1794-1795.

The issuance of counterfeit money as an instrument of economic warfare was practiced by the British Government in the 1790's in its war against the French Revolutionary Government. In 1792 the refugee nobles from France had proposed to the King of Prussia that he counterfeit the assignats, the paper currency of the French Government based on the public lands, but he refused.¹ William Pitt, the Prime Minister of Great Britain, however, seized upon the idea, and sanctioned the printing of large quantities of the notes in England. While available evidence indicates that his government connived at the printing of these bills quite independently of the escaped French nobles, there is definite and certain information only on counterfeiting by the emigres with British backing.²

¹ Georges Lefebvre, Raymond Guyot, Philippe Sagnac, La Revolution francaise. (Louis Halphen and Philippe Sagnac, eds., Peuples et civilisations; historie generale, XIII) Paris, 1930, p. 181.

² Ibid., 181; John Holland Rose, Life of William Pitt, N.Y., 1924, II, 260-261; Louis Blanc, Historie de la Revolution francaise, Paris, 1847-1862, XII, 102, 109.

In 1794 Count Joseph de Puisaye, a French Royalist leader, obtained the support of Pitt for an expedition to Brittany to drive the Republicans from that province. He also won Pitt's approval of his plan to confuse the French economy and to help finance the expedition by printing false currency in imitation of the Republican assignats.¹ Pitt advanced the capital to expand the printing establishment which the Royalists already had, and the bills were freely printed.² Great quantities of false assignats were turned over to Puisaye's lieutenants in Brittany, and those men swelled the size of their army by a judicious use of them.³ In December of 1794 a Royalist leader recently arrived from England was arrested in Brittany and found to have 418,000 francs in forged assignats in his possession.⁴ The Royalists claimed that all the false notes printed by them bore a secret mark of identification and they

¹Rose, op. cit. pp. 260-261, Albert Mathiez, After Robespierre: the Thermidorian reaction, N.Y., 1931, pp. 121-122; Blanc, op. cit., XII, 102, 109.

²Mathiez, op. cit., p. 122; Blanc, op. cit., XII, 109; Adolphe Thiers, Histoire de la Revolution francaise, 13th ed.; Paris, 1847-1851, VII, 272, 273.

³Mathiez, op. cit., p. 122

⁴Ibid., p. 128

would be redeemed after the victory of their forces.¹

Their primary purpose, however, was to discredit the Republican notes and to embarrass the French Government.²

Louis Blanc, writing in the middle of the nineteenth century, maintained that Pitt's counterfeit notes contributed significantly to the tremendous depreciation which the assignats suffered in France. The best modern scholarship, however, holds that they had no influence on the value of the genuine assignats or on the operation of the French economy.³

II. The Hungarian Counterfeit Case, 1848-1849.

In 1848, followers of the Hungarian patriot and revolutionist, Louis Kossuth, set up presses in England and printed a large amount of currency for Hungary. The Austrian Government became aware of this activity, and requested the extradition of the counterfeiters. The British Government refused extradition, but brought the culprits before an English court. While confiscating the presses and accumulated stocks

¹ Blanc, op. cit., XII, 103; Rose, op. cit., II, 261.

² Rose, op. cit., p. 261

³ Blanc, op. cit., XII, 103, 111; S.E. Harris, The Assignats, Cambridge, 1930, 163-166, 201-205

of bills, the court declared the counterfeiters not guilty, on the plea that the currency was not to have been circulated until the Revolutionary Government had been firmly established.¹

III. Counterfeiting in the Russian Civil War, 1918-1922.

A former aide to the White Military Governor of the Leningrad and Pskov Districts² attests that counterfeiting campaigns were conducted by both Reds and Whites in the Russian Civil War. Considerable sums of spurious White currency were found on captured Red civilian agents as well as military prisoners. At the same time, the unofficial belief of those in authoritative positions among the Whites was that a similar campaign was waged by the Whites behind the Red lines.

Neither the extent of these activities, nor their effect upon the chaotic economy behind both lines can be properly assessed from the scant evidence available.

IV. Hungarian Counterfeiting in the Post-War Era.

In the period following the First World War,

¹La cooperation des états dans la lutte contre le faux Monnayage. Report of the League of Nations, Paris, 1927,

²Mr. T. A. Taracouzio, C.O.I.

Hungary became a center of counterfeiting for political purposes. As long as the production of spurious money injured the enemies of Hungary and served some patriotic cause, such activity was condoned and, in fact, enjoyed the covert protection of the Hungarian government.

In 1920 when Czechoslovakia and Poland were engaged in a heated discussion concerning their mutual frontiers, certain Hungarian "patriots" believed that war between the two Slavic nations was imminent. A Slovakian Legion was organized under Hungarian auspices for the purpose of fighting on the side of the Poles against the Czechs. At the same time a large amount of counterfeit Czech 500-Crown banknotes was produced. These spurious bills are said to have been put into circulation with the connivance of Hungarian consular agents. Eventually the Czechoslovak government uncovered the plot and the counterfeiting ceased.

In the following year (October, 1921), Tibor Eckhardt, the Hungarian Chief of the Press, became involved in a counterfeiting affair. Eckhardt and his

¹Auguste Gauvain in Journal des Debats, Jan. 8, 1926, p. 23. It seems probable that the counterfeit money was used to finance Slovak irredentists in Czechoslovakia, rather than to invlate the Caechoslovak currency.

accomplices are said to have produced almost 200,000,000 spurious notes. The center of this activity is supposed to have been the banking firm of Holzer and Kahn (Schottenring, Vienna). Thence the spurious currency reached Budapest by diplomatic courier where it was put into circulation by the Eckhardt family concern, Ergon.¹ Eckhardt presumably employed the proceeds of this counterfeiting mainly for the benefit of his Hungarian Revisionist League.

In 1925 the Surete Francaise had sought for some time to locate the origin of numerous counterfeit 1000-franc banknotes circulating throughout Europe. The clues indicated that the money might well have been fabricated in Hungary. French investigators sent to Hungary obtained what was seemingly the whole-hearted collaboration of the Hungarian authorities. Actually the French agents were hindered in their investigations and given false clues which led to nothing. Finally at the Hague, Dutch authorities arrested Col. Jankovitch, brother-in-law of Count Czaky, Hungarian Minister of War. The Colonel was carrying a large amount of counterfeit French money in a valise bearing the seal of

¹ Arbeiter-Zeitung, Vienna, Oct. 16, 1921, p. 3, col. 2. Report based on the Hungarian newspaper, Az Ember.

the Hungarian Ministry of Foreign Affairs. Immediately the Hungarian Minister at the Hague made an unsuccessful attempt to secure the Colonel's release from the Dutch authorities.

There is much evidence to show that the plates used in the fabrication of the spurious currency were made by the same institution which produced the maps of the Hungarian General Staff. This institution was under the direction of Count Teleki. Apparently the counterfeiting served a twofold purpose: (1) to provide funds for the partisans of a coup d'etat, which was to place Archduke Albert (Albrecht) on the throne: (2) to injure the credit of France, which was one of the chief supporters of the Petite Entente.

Probably under the pressure of European public opinion in general and of the French government in particular, the Hungarian Prime Minister, Count Bethlen, permitted the prosecution of some of the chief offenders, among whom were Prince Ludwig Windischgraetz and the Budapest chief of police. The offenders received very lenient sentences.¹

¹Auguste Gauvain, in Journal des Debats, Jan.-Oct., 1926 pp. 22-23, 62-63, 110-111, 702

V. Franco-Belgian Counterfeiting in the Ruhr Valley,
1923.

During the Franco-Belgian occupation of the Ruhr Valley (1923), the French seized one or more printing establishments employed by the German government in printing paper currency. The presses were then used to produce German currency for the use of the French occupation forces. The effect of the French Mark issues is impossible to assess, for Germany contributed heavily to the economic chaos in the Ruhr area by shipping in quantities of marks to finance passive resistance and disrupt Franco-Belgian economic exploitation.

VI. Counterfeiting in the Present War.

So far is known, Germany has not used counterfeiting as a weapon. In addition to the natural fear of retaliation, Germany's position in Europe would militate against any effort to inflate the currency of the occupied countries. Germany's present objective is to exploit the economics of subjected nations, not to destroy them. It is, therefore, not surprising that her effort has been to neutralize rather than to encourage inflationary trends.

Reports have come out of the Philippines that the Japanese have issued counterfeit currency. Although some reports describe it as the usual "clever imitation," others consider it "crude imitation," surcharged with an Imperial Japanese guarantee.¹ It is altogether probable that this currency represents not an inflationary plot, but the usual currency issued for the use of an occupying force.

¹ New York Times, Dec. 24, 1941, p. 1; Dec. 25, 1941, p. 4; Jan. 7, 1942, p. 2.

No. 270

February 19, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT.

FROM: William J. Donovan

You will recall that some time ago I asked for authority to send a subversive group to China.

At your direction I took it up with General Marshall. He then asked General Stilwell to discuss it with me.

We have arranged to work it out and are designating a man to go out there and set up the school with General Stilwell, and will obtain the necessary material there.

No. 271

February 19, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The citation of the section in the
Philippine memorandum of this morning was
wrong. Corrected it should be Paragraph 14,
Section 2(a).

No. 272

February 20, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

We have just received the following from our London Office:

"The information to follow comes from the PWE general weekly directive.

"Strategy: Russia. Maintaining pressure despite the fact that the very heavy snowfalls are making cross country movements very difficult. They have made progress at several points, including the Donets salient. Repeat that there is still no sign of where the Germans can stabilize.

"Libya: A German attack is expected soon. Repeat that Rommel's success is due to the fact that reinforcements have been diverted from the Eastern front.

"Far East: We have suffered a major disaster, and the full penalty for it has still to be paid. The outlook is ominous. Emphasize that Japan's hold on her gains hinges on her sea supremacy. This will inevitably pass to the Allies.

"Propaganda Policy:

"a. Our propaganda must reflect the mood of the British nation faithfully. This is to remedy mistakes and to win through to victory by greater determination, vigor, and efficiency, and to face facts squarely.

"b. It is bad propaganda to speak of a long war and our final victory to the peoples of the occupied countries. They want a short war and a quick victory. They are at the moment both depressed and critical of us. Therefore, we must show them:

"1. That we are fully aware of the facts and are facing them.

"2. That we are speeding up plans for intensified action against Germany.

"3. That, as winter draws to a close, the indomitable spirit of 1940 is surging back into our veins.

"c. All of Europe thinks that, in spite of Russia's achievements during the winter, in the spring Germany will launch a very formidable offensive. We need a note of urgency in our propaganda and a note of new vigor. We should put less emphasis on those who are collaborating with the enemy and should give more indications that collaborating

with us is more worthwhile. We must give Europe a clear indication that we are speedily preparing ourselves for the greatest struggle of the war.

"d. Do not exaggerate the decline in German morale. According to recent reports it has improved. Make it clear that we are now going all out for victory and do not give the impression that we expect others to do the work for us."

No. 273

February 20, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following is a report from our New York office covering the highlights of the week's war on the propaganda front. It is based on recording of broadcasts on short-wave heard at FCC's listening posts in Washington and Portland, Oregon, the National Broadcasting Company's listening posts in Los Angeles and New York, the Columbia Broadcasting System's listening posts in San Francisco and New York, on medium wave broadcasts recorded by the British Broadcasting Corporation and by our own monitors.

"While her Axis neighbors were enthusiastically working up one of the happiest weeks they have ever enjoyed, Rome sulked. The reports of our analysts are replete with such phrases as 'Rome joined in...' and 'Rome echoed....'. These in instances where Rome was mentioned at all. Rome's chief contribution seems to have been on Tuesday, when she out-clamored Berlin in boasting of Italian and German successes in the Mediterranean in an evident attempt by the two of them to prevent Japan from grabbing all the limelight over Singapore's

fall and the 'impending collapse of the British Empire'.

"When Berlin acclaimed the escape of the German battle-ships from Brest, Rome chimed in only mildly; when Berlin exploited the U-boat shelling of Aruba and the Caribbean tanker sinkings, Rome just barely reported it. On her own hook, Italy started no new lines and exhibited a general lack of robustness during seven days that shook the world.

"Last week's report predicted an Axis move toward West Africa as implicit in Axis propaganda. Nothing happened in the Mediterranean during the past week to justify the sudden Axis enthusiasm for that region. Yet all week long we have been hearing the echoes of Axis chest-thumping over its so-called 'complete domination of the Mediterranean' by Axis forces.

"If Spain, Portugal and Vichy, France, were hesitating about participating in an adventure in Africa, their fears of British and American seapower in the Mediterranean might be a strong reason for their lack of enthusiasm.

"If Axis propaganda, applied as always to coincide with military, diplomatic and economic pressure, could convince Axis suburbanites that there was nothing to fear in the

Mediterranean, the results might be conclusive.

"But Axis propaganda, evaluated on its own, clearly indicates an impending Axis move into West Africa.

"Japanese. It is doubtful that any Japanese propagandist slept a wink. They were as busy and aggressive as their brothers at the front. They belabored the obvious, which had fallen into their laps, but they did not stop there. Tokyo found time to make a bid for the sympathy of South American Catholicism.

"Tokyo broadcast on the restoration of Singapore, reporting that the Botanical Gardens had been turned over unbombed and intact. Tokyo spoke eloquently on 'India for the Indians'. Tokyo followed Goebbels' line in saying that the Chungking Army 'remnants' are owned by the Chinese Communist cause. Tokyo quoted United States comment on the gravity of the Java situation. Tokyo said allied nations losses are permanent and irrevocable. The above were only samples of the many-pronged Tokyo attack.

"Tokyo's terror tactics are a continuing line. On Thursday, Tokyo concentrated on the word 'pincers' in referring to Java. Also on Thursday, Tokyo found space to assault Latin-America by claiming that for forty years the United

States had been trying to purge the Philippines of Spanish influence and had exploited the Spanish-Catholic Filipinos without pity.

"Tokyo said the fall of Australia was inevitable.

Tokyo quoted H. R. Knickerbocker out of context as predicting the fall of Australia would certainly mean an attack by the Japanese on the United States mainland. Tokyo told Latin-America that it was to South America's advantage to have the Philippines out of North American hands.

"Apparently the only thing that caused concern in Tokyo during the week was the U. S. Navy Department's announcement of results of the Marshall Islands raid. After a 24-hour hiatus, Tokyo quoted a Japan naval commentator. He said that the whole thing was a failure, that the United States had run into a hornet's nest and that Admiral Hart was being made scapegoat. Several Axis radios broadcast that Admiral Hart was dead.

"Berlin bids for the spotlight.

"Berlin and satellite stations capitalized on the defeat at Singapore by attacking Churchill and predicting upsets in the British cabinet. This proved to be the correct angle when the Gneisnau, Scharnhorst and Prinz Eugen ran the channel and

found refuge in Keil, thus becoming sea-going Boris Kharloffs. Churchill and Britain were still 'falling' and the Japs were not so much in the fore. Goebbels faced the Oriental Aryans further with the U-boat exploits in the Caribbean and the shelling of Aruba. Meanwhile, the fire centered around Churchill. Berlin repeated in divers ways that Churchill was the cause of Britain's abandonment 'by the entire continent of Europe' and was a bumbling old man, responsible for collapse of the British empire.

"Monday, Berlin in English said: 'Churchill had to make the remarkable admission that his war-mongering and war expansion policy was based on the strength of the United States'. Then followed the portion already quoted. Berlin commented that Churchill knew 'when he plunged Britain into war, and spread war all over Europe, that Britain's forces would never have to fight to defeat the Axis powers. He conducted this criminal policy of war expansion exclusively at the cost of the American people, which up to the end strongly opposed participation in the European war'.

"Special Report on Aruba. While not yet of any major military significance, the Axis attack on Aruba has assumed major significance in a political and psychological offensive.

"That we may be better prepared to combat what is still coming, a special report was prepared summarizing the situation.

"The attack was described as a 'World Sensation' by Friesland and Breslau in English, Koeningsburg in Finnish, Donau in Serbo-Croat, Frankfort and Zeesen in German, Paris in French, Rome in Italian, and by other stations.

"Frankfurt compared it to the feat of the Cruiser Emden, which on August 22, 1914, shelled oil tanks in Madras, destroying 425,000 gallons of oil. Frankfurt made the point that whereas in those days raiding was a matter of bold individual action 'nowadays no ship or port is safe....from the German submarine arm.'

"Lyons in French saw in Aruba a warning that the Panama Canal is not safe from sudden attack.

"The Deutsche Allgemeine Zeitung wrote that the submarines had to overcome the defenses at the approach to the Caribbean, including the Bahamas and lesser Antilles, recently transformed into powerful United States Naval and Air bases.

"Our reports show that the Axis radio and press are engaged in building up the attack on Aruba and torpedoings in the Caribbean as a great offensive military action - the analyst concluded. "The axis dramatizes it as proof that the U. S. is already on the defensive in the Western Hemisphere.

"Chungking.

"The Japanese tidal wave in the Far East has made our relationship with Chungking of paramount importance. We have done what we could over KEGI and Chungking has responded with notable sensitivity and initiative, bucking up all United Nations propaganda by word and deed. Chiang Kai-Shek's Delhi conferences are being exploited by Chungking for all their heavy worth. Chungking found opportunity to acknowledge the special Anna May Wong-Cameraman Howe program, which we put on over KEGI, and to compliment us on its value.

"Evidently, when opportunity offers, Chungking picks up our material broadcast from KEGI, and to compliment us on its value.

"Evidently, when opportunity offers, Chungking picks up our material broadcast from KEGI and uses it immediately for news. We have heard our material relayed by Chungking short-wave with increasing frequency this week.

"This is a supplemental source of morale sustenance, augmenting the news we deliver daily to Chungking by morse code.

PROMINENT AMERICANS AS HITLER'S HELPERS.

American speechmakers frequently put themselves in Axis hands, allowing their words to be used as weapons against their fellow-countrymen.

Axis propagandists are turning to increasing use of widely known American names. A dozen instances may be cited within the past few days. Frequently, well meant criticism is grotesquely distorted. It is not necessary, in every case, for the propagandist to twist the quotations.

Berlin hopped on Senator Walsh's speech and broadcast a summary in German to North and South America. The newscast was monitored thus:

"The U. S. Senator Walsh spoke with great apprehension about the coastal defense of the U. S. The coast is almost without any protection whatsoever, on account of the excessive use of the U. S. Fleet in Naval services for the Allies. Walsh asserted that some day there would be a possibility to call the entire Fleet back home, where she would have to undertake the protection of her own coast."

Holland in English to the Netherlands East Indies was monitored:

"According to a Havas report from Washington, the

Republican Senator, Mr. Vandenburg, from Michigan, introduced a resolution asking the Senate to set up an inquiry into the disaster of the super-liner Normandie, which he qualified as 'a shocking affair'..."

The captive Dutch broadcasters used Vandenburg. Rome picked on La Guardia, and Berlin quoted Minnesota's representative Maas in Icelandic.

Rome in Italian to the Far East, remarked under a Stockholm dateline Thursday: "The lightness with which the White House proceeds in its war methods is proved by the fact that the defense of New York has been entrusted to Mayor La Guardia. A committee representing 500 officers and technicians, who are charged with anti-aircraft defense, is exerting strong pressure that the Mayor be removed from such a delicate task."

Berlin said to Iceland: "The American Representative Maas, who was chosen by the Republicans for the State of Minnesota..(said) The United States was also to blame for Singaport..because the American Fleet in Pearl Harbor had been of no use. But, he said, the time would come when American soldier's footsteps would be heard in Asia, Europe and Africa..American planes over Tokyo and Berlin and the American Fleet would sweep the seas. This kind of deranged thinking..particularly (by) men like Roosevelt, Knox and Stimson..."

Tokyo, using a Buenos Aires dateline, quoted Senator Tom Connally in English as warning the Senate that "although we are having dark days in Asia, still darker days will come."

Berlin in German said that Governor Lehman emphatically opposed unemployment insurance being taken over by the State. "This position of Lehman is quite in line with the traditional Anglo-American treatment of questions of social policy."

Berlin quoted Representative Lambertson as telling the House during an armament bill debate: "If the President does not change his attitude, he will lose this war."

And Dorothy Thompson's warning against loose criticism of the Allied conduct of the war was bounced back from Rome in English, apparently to spread discouragement and dissension.

No. 274
February 22, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT.

FROM: William J. Donovan

The following, from our London office, is a summary of the secret British Home Intelligence report for the week ending February 16:

The public is profoundly disturbed and angry. Formerly they merely evinced a sense of disappointment and lack of enthusiasm for the conduct of the War. In several regions depression is reported and in a few regions some signs of defeatism. The public was far more shocked by the escape of the German warships than by the fall of Singapore. The week was called "the blackest since Dunkirk." The Libyan situation is disappointing. Though they are still the one bright spot, the Russian advances are thought to have slowed down. There is very widespread desire to criticize. The main weight of public criticism seems directed against the government and no longer excludes the Prime Minister, although the service chiefs are greatly blamed.

The escape of the battleships is described as "the most bitter failure of the whole war". Reactions include not

only bewilderment, shock and anger, but also a sense of disgrace and humiliation. The disturbing points are:

a. How could the ships leave Brest at all, which brings up the comparison of the destruction of Swansea in three German raids. While Brest itself has been bombed more than a hundred times. This raises the question of the entire bombing policy. Although the flying rank and file escape censure, the operation is regarded as a failure of the R.A.F.

b. Where was the fleet.

c. In eight regions invasion apprehension is renewed.

d. Public compares the German escape and the loss of the Prince of Wales and the Repulse.

e. Public are amazed by the evident failure of the British Intelligence Service which produced no warning.

Concerning Singapore. People were resigned rather than reconciled. News of the City's fall was received with silence too deep for words. The excuse that forces had been diverted to Libya and Russia carries no weight. There is a good deal of anxiety over Burma

and fear for Rangoon and the Burma Road. The reports from the Far East have been unfavorably compared with General MacArthur. The news of Chiang Kai Shek's service as Ambassador to India somewhat relieved the doubts on the adequacy of the Indian defense. It was also thought that it was imperative to bring about a measure of agreement in India. It is felt that Amery is not doing much about it.

There is intense and widespread criticism against the British government. There is an increasing feeling that the direction of the war is very much at fault. One opinion: There has not been such widespread grave doubt of the adequacy of the high direction in general and staff work in particular since the Norwegian fiasco. There is a dominant feeling of frustration that after two and a half years of war and nearly two under Churchill's leadership, Britain should be, except for the battle of the Atlantic, apparently incapable of decisive victory over anybody but the Italians. Also: the time has come to stop accepting excuses and try a change in government.

The Prime Minister. His popularity remains very great but there is criticism of him in one form or another

in all areas, directed mainly at his capacity as Defense Minister rather than as Premier. "He never was a military strategist, military and naval tactics are for the expert". "He will not delegate authority and he has taken on far too much responsibility". He is much criticized for his protection of his Ministers. Churchill's speech met with a mixed reception. Although some felt it had a steadying influence, a far greater number felt it did not succeed in allaying criticism. His "call for unity" produced this reaction, "Unity depends on having the right men in the right places". His appeal to the public not to criticize was thought "ineffective". It is believed that criticisms of Russia cut both ways as the public is making comparisons between the "efficiency and organization of the Russian war machine and our own half hearted methods".

Cripps. Current rumors in two regions indicate that a major political crisis is ahead and that Cripps will be Prime Minister in a few months. There is some sign that people are "beginning to think of alternatives to Churchill". In this connection, Cripps name is most often mentioned. There is great disappointment that he is not in the government. Cripp's broadcast met with favorable comment in twelve regions.

His absence of rhetoric and his human voice were appreciated, as was his helpful, factual and non political approach.

According to a special report from the Midland region, the freely expressed opinion is circulating that before many months the government may be forced into a general election. In this event, few of the present members of Parliament are expected to be returned. Increasingly, people of all classes are taking to "a kind of home-made Socialism, which does not pay allegiance to any political faith, but expresses resentment against a system which has delegated so much power to so few individuals". This is not at all confined to people of the industrial middle class or factory workers.

From the Eastern region there is reported "desire among the working classes for some sort of post war new order intended to contract the gulf between the have-nots and the haves".

THE WHITE HOUSE
WASHINGTON

February 25, 1942.

MEMORANDUM FOR

W. J. D.

In regard to your No. 275,
February 21st, I would want to
do the same thing if I were in
your place. Talk with General
Marshall about it. Plans are
under way.

F. D. R.

February 21, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT.

FROM: William J. Donovan

This is an appeal from a soldier to his Commander-in-Chief.

The situation in the Philippines presents an obligation and an opportunity.

An obligation because of the duty of a nation to support to the last full measure the last ditch stand of its fighting force;

An opportunity because it is a golden chance to give confidence in that support not only to the existing units of battle but to all those future soldiers of this war who await their numbers to be drawn.

The military question of the Philippines is not a sentimental question - it is at once moral and practical. Moral, because the quality of our military effort must be based upon confidence in the sustained support of the higher Command; practical, because if it be not done will create doubt in the minds of our soldiers and will be a black page in our nation's history, but if tried even though we fail, will inspire our troops and make clear to the enemy and our people that nothing will stop us. Furthermore the Mandated

Islands are on one end of a line that runs east and west, the other end of which has Indo-China, an important base for Japan's operation in the south as well as her greatest source of food in this region.

I think the attempt should be made - - though each day's delay makes it more desperate - - upon a sound but daring military plan which should embrace the following:

1. To reinforce and continue to support the resistance of our Philippine Army and to prepare the ground for an attack on Japan.
2. Establish a force of heavy bombers in India with a mission to strike at the sea lanes of communication in the China Sea, and to give aid in whatever way to MacArthur.
3. To send a task force with a carrier or carriers whose planes would attack targets in Japan (these to be fixed by the air corps) vital to her war effort.

Properly conceived this would draw her air forces from the south and make her concerned with her own defense.

4. Utilize blockade runners to carry supplies for the air fields established by MacArthur in the various islands with a view to delivering planes to be based on those fields. I understood that on those islands are some 20 air fields.

5. Effect landings of foot soldiers on Mindanao, or such other islands as MacArthur would designate, to carry on the fighting and enable him to obtain physical communication with Indo-China and the South Seas.

Many objections can be made to such a proposal, but military history shows that military effort is not a matter of arithmetic or bookkeeping - the imponderables cannot be discounted.

We have nothing with which to operate on a big scale, but let us do as would a small but determined nation - I believe that the logistics would show its feasibility and I ask that I be permitted to serve with this force in any combat capacity.

As directed by you, I have today discussed the proposed proclamation with Colonel Stimson and since such a proclamation could be made effective only by military action I have also showed him a copy of this memorandum.

Later this afternoon I will show both the proclamation and this memorandum to Colonel Knox.

No. 276

February 23, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following is a Special Intelligence Summary which we have received today, but which is dated as of January 31:

ITALY

Below is a translation of the full report from an Italian professor, press correspondent in a neutral capital, written on his return on January 5 from a visit to Italy lasting some weeks. He has given it as being based on personal observations and conversations with various friends. He has so far been unwilling to say more in these respects.

THE GERMANS

1. A cause of much Anti-German feeling in Rome is the superior behaviour of the Germans in ordinary life and in their relations with Italians. One thing is particularly resented. At a time when there is an increasing shortage of petrol, and it is almost impossible for an Italian to find a public vehicle, the Germans constantly go round the city in elegant touring cars.

2. Resentment is also caused by the general bearing of the Germans. They seem to regard themselves as masters of the Italians.

3. The Germans have raided the Italian art galleries, in spite of the protection afforded by the Ministry of National Education. Members of the National Socialist hierarchy have been to blame, and owing largely to the direct favour of Minister Ciano, they have taken away whatever has appealed to them. Many of these works of art have passed to Germany without being paid for. They are regarded as presents to the German leaders from their Italian colleagues. The Ministry of Education recently issued a new order to restrict more severely the disposal of works of art from private collections, but it seems doubtful whether this will have any effect, because in other departments of state there are those inclined to accede to any German wishes. One of the greatest collectors of Italian art treasures has been Goering. The result has been that the Ministry of Exchange and Prices has asked the Ministry of National Education to restrict supplies of works of art to the Germans to those not more than fifty years old.

4. The news of this form of pillaging by the Germans, with the assistance of a section of the state authorities, has

aroused keen indignation amongst the Italian people and the intellectual classes in particular.

ARRESTS

5. There has been a great increase in the activity and severity of the Italian police, owing chiefly to the effect produced by the British offensive in Libya. Many young intellectuals have been arrested in all parts of Italy, but particularly in Rome. These arrests have been sudden and no communication has been given to the families of those arrested. The families have been left several days without any news, and when they hear what has happened they are not allowed to write to those under arrest. As they receive no indication of the charges they have no opportunity for arranging for a defense. The same methods are being used in Italy which have been perfected by the Gestapo.

FEELING AGAINST THE VATICAN

6. The Government has forbidden the Italian press to publish news of the activity of the Vatican for the assistance of prisoners-of-War and the news published by the "Observatore Romano" on the help given by the Nuncii and Apostolic delegates on behalf of the Italian prisoners. These announcements are of

much propaganda value for the British and are always published in the Catholic papers: "Avvenire", of Rome, "Avvenire D'Italia", of Bologna, "Italia", of Milan, "Il Nuovo Cittadino", of Genoa, "Ordine", of Como, "L'Eco de Bergamo", and by the weeklies of the Azione Cattolica.

BOMBARDMENTS OF BRINDISI AND NAPLES

7. From direct evidence on the spot it can be established that the violent air attacks on Brindisi and Naples have not only had a very severe material effect, but have also produced a serious moral effect. Many of the important military undertakings in Brindisi were destroyed, and at Naples some armaments factories were damaged, the most important of which, a shell factory, was put out of action for a period of two months. As a result of the damage caused at the Naples railway station, many trains had to go direct from Salerno to Caserta, cutting out Naples.

8. From the point of view of morale, these raids produced a great effect not only as a result of the direct damage caused, but because they revealed the falsity of Axis propaganda which had repeated so often that the British air force was incapable of carrying out any large-scale bombardments. There are signs in Naples of considerable depression; often on the day following

a raid there has been no bread or water. They are, indeed, signs of irritation which in the long run may lead to serious incidents,

9. The population shows surprise at, and admiration for, the strength of the British Air Force, and the impression prevails that the British are always careful to attack only military objectives.

No. 277

February 23, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

Here is the text of a recent broadcast by Tokyo, addressed to Australia.

TOKYO TO AUSTRALIA

~~XXX (MILLIS TRANSCRIPT)~~

"THIS IS JAPAN CALLING. HERE IS THIS EVENING'S NEWS COMMENTARY FROM TOKYO, JAPAN, FORECASTING ANOTHER FIRESIDE CHAT.

AFTER THE LONG INTERVAL, WASHINGTON IS TO ENTERTAIN THE WORLD ONCE AGAIN WITH ANOTHER OF PRESIDENT ROOSEVELT'S FIRESIDE CHATS. NO AMERICAN CAN AFFORD TO MISS THIS BROADCAST. HE WILL FIND IN IT ANSWERS TO THE MOST MOMENTOUS AMERICAN ISSUES THAT CAN BE MADE TODAY, NAMELY, HOW THE UNITED STATES IS DOING IN THE CURRENT WAR OF EAST ASIA AND HOW THE ALLIED DEFENSE AGAINST THE AXIS STRATEGIC OPERATIONS IS TURNING OUT, AND THE MOST IMPORTANT OF ALL, WHETHER OR NOT THE UNITED STATES CAN REASONABLY EXPECT THE ULTIMATE ALLIED VICTORY. WE HAVE EVERY MISGIVING (?), HOWEVER, THAT ALL THE HOPE AND CONFIDENCE THAT THE AMERICAN PUBLIC PLACES IN PRESIDENT ROOSEVELT'S COMING BROADCAST WILL BE DISAPPOINTED. THE REASON IS THAT THE AMERICAN PUBLIC SEEKS IN HIS PRONOUNCEMENT IS A STAUNCH TRUTH WITHOUT TRIMMING, WHICH THEY SEEM HAVE BEEN KEPT FROM THEM SO FAR. (THIS IS TEXT-MILLIS) BUT, UNFORTUNATELY, MR. ROOSEVELT IS NO (TWO WORDS INAUDIBLE) AT TRUTH-GIVING TALK.

"EVERY AMERICAN IS AWARE, BY THIS TIME OF THE FICTITIOUS CHARACTER OF COL. KNOX'S REPORT ON THE PEARL HARBOR AFFAIR. EVERY FIGURE THAT THE U.S. NAVY GAVE HAS BEEN PROVEN NOW TO HAVE NO RELATION TO FACT. AND THERE IS ABSOLUTELY NO REASON WHATSOEVER TO SUPPOSE THAT THE FIGURES PRESIDENT ROOSEVELT PROPOSES TO GIVE WILL BE ANY BETTER.

(MORE)

COMMENTARY

VICTORY IN THE MACASSAR SEA BATTLE AND THE ATTACK ON THE JAPANESE NAVAL BASES IN THE MARSHALL ISLANDS—THESE ITEMS SLATED TO BECOME THE BODY OF HIS CHAT, ARE NOTHING BUT PAPER FIGURES DESIGNED TO ALLEVIATE THE MOUNTING DISCONTENT OF HIS COUNTRYMEN OF HIS ADMINISTRATION LEADERS.

BUT WHY? BUT WHY DOES THE ROOSEVELT ADMINISTRATION HAVE TO RESORT TO FICTITIOUS FIGURES? THE CHURCHILL GOVERNMENT TAKES A FAR MORE CANDID ATTITUDE IN GIVING OUT ACCOUNTS OF DEFEAT. THE REASON FOR THIS IS FAIRLY OBVIOUS. LONDON IS FAR Surer OF THE LOVE AND CONFIDENCE OF ITS PEOPLE THAN WASHINGTON. PRESIDENT ROOSEVELT IS AFRAID THE MAN WHO SAID "THE ONLY THING WE SHOULD FEAR IS FEAR ITSELF" IS NOW GENUINELY AFRAID THAT HE SHOULD LOSE POPULAR SYMPATHY IF DARES TO BARE FACTS. (SEVERAL WORDS INAUDIBLE) FREEDOM OF SPEECH, FOR WHICH AMERICA IS SUPPOSED TO STAND, SHOULD FIND AN OBSTRUCTION IN NO OTHER PERSON THAN ITS LEADER.

IN HIS REPORT ON THE AMERICAN DEFENSE WORK, PRESIDENT ROOSEVELT IS GOING SOME SUCH FIGURES AS THESE: THE WAR EXPENDITURE COUNTED FOR SINCE JUNE 1940, \$148,000,000 (MILLION) WHICH IS TO BE TRANSLATED INTO 185,000 AIRCRAFT, 120,000 TANKS AND 18 MILLION TONS OF VESSELS. BE GONE. THESE ARE REASSURING FIGURES, BUT CHARACTERISTICALLY AMERICAN, GIGANTIC, TREMENDOUS AND RICH. LET ANYBODY CONCERNED TRY AND THINK SERIOUS FOR A MOMENT.

"IF THOSE TREMENDOUS FIGURES ARE TO BE BROUGHT TO REALITY, WHAT IS YOUR LIFE GOING TO BE LIKE. WHAT A FLOOD OF PAPER MONEY CAN DO TO ONE'S LIVING. THE WORLD LEARNED ONLY TOO WELL FROM THE TRAGIC EXPERIENCE

(MORE)

TO GO TO AUSTRALIA

3 - COMMENTARY

OF GERMANY AFTER THE FIRST WORLD WAR. WE HOPE PRESIDENT ROOSEVELT WILL NOT FORGET TO REASSURE HIS PEOPLE BY SAYING THAT WITH ALL THIS GOLD, THERE CAN BE NO SUCH THING AS INFLATION IN THE UNITED STATES. BUT WE DOUBT HOW MUCH WEIGHT HIS WORDS CAN CARRY IN FACE OF THE APPALLING RISE IN LIVING EXPENDITURES WHICH AMERICA IS EXPERIENCING SINCE THE BEGINNING OF THE WAR.

"(THREE WORDS INAUDIBLE) IS DUE FROM PRESIDENT ROOSEVELT. MOREOVER, ABOUT STRIKES AND SABOTAGE IN WAR INDUSTRY, WHICH AGAIN IS (TWO WORDS INAUDIBLE), AT A TIME WHEN PATRIOTISM IS EXPECTED OF EVERY MAN AND WOMAN IN THE COUNTRY. BUT ACTUALITIES ARE NOT AS SIMPLE AS THAT. WHAT OTHER COURSE CAN THERE BE FOR WORKING PEOPLE THAN TO ASK FOR MORE WAGES TO MEET A MOUNTING EXPENDITURE OF THEIR LIVING? WE SEE NOTHING STRANGE ABOUT THE EFFORT OF DEFENSE WORKMEN TO GET SUCH SHARE OF THE TREMENDOUS PROFITS BEING MADE BY THE AMERICAN WAR INDUSTRIES AND CAPITALISTS, WHO HAVE BEEN EFFECTING (?) ROOSEVELT INTO WAR.

"CLOSE COOPERATION AMONG THE UNITED NATIONS IS ANOTHER OF PRESIDENT ROOSEVELT'S EFFORTS TO EMPHASIZE IN HIS COMING CHAT. BUT IF THE ANGLO-AMERICAN ALLIANCE AS NEARLY SATISFACTORY AS IT IS DESCRIBED TO BE, WHY DID CHURCHILL ADOPT (SEVERAL WORDS INAUDIBLE) LACK OF POLICY SPEECH TO THE BRITISH PARLIAMENT. HE SAID 'BRITAIN DID NOT HOPE TO FIGHT JAPAN AND WE DID EVERYTHING NOT TO PROVOKE HER, BUT IF WORSE SHOULD COME TO WORSE, WE CAN RELY ON THE UNITED STATES PACIFIC FLEET' SO STATED WINSTON CHURCHILL. (SEVERAL WORDS INAUDIBLE) IS UNMISTAKABLY CLEAR IN THESE WORDS OF THE BRITISH PRIME MINISTER

NOT HOPE TO FIGHT JAPAN AND WE DID EVERYTHING NOT TO PROVOKE HER, BUT IF WORSE SHOULD COME TO WORSE, WE CAN RELY ON THE UNITED STATES PACIFIC FLEET' SO STATED WINSTON CHURCHILL. (SEVERAL WORDS INAUDIBLE) IS UNMISTAKABLY CLEAR IN THESE WORDS OF THE BRITISH PRIME MINISTER WHAT HE IS SAYING REALLY, ACTUALLY, IS WE GAMBLER WITH WAR WITH JAPAN COMPLETELY TRUSTING AMERICA TO FIGHT AN EFFECTIVE BATTLE FOR US IN THE

(MORE)

COLLETTAR
PACIFIC. BUT WHAT A FAITHFUL LEADER HE TURNED OUT TO BE. THE
PRIME MINISTER OF THE ONETIME GREAT NAVAL COUNTRY OF THE WORLD,
NOTED BRITAIN, IS NOT LIKELY TO BE DUPED BY THE VERBAL ASSURANCE
OF AN AMATEUR STRATEGIST LIKE COLONEL KNOX ABOUT THE UNITED STATES
NAVY IS GOING STRONG.

"THE AMERICAN PUBLIC HAVE FAR ABLER AND TRUER EXPONENT
OF ITS NAVY IN MR. CHURCHILL THAN IN ITS OWN (2 WORD) ADMINISTRATORS.

"TO SAY THE LEAST, WE SEE NOTHING THAT AMERICA CAN EXPECT
SUBSTANTIALLY FROM PRESIDENT ROOSEVELT'S FIRESIDE CHAT SLATED FOR
TOMORROW NIGHT EXCEPT THE USUAL VERBAL EDIFICATION. (ONE BRIEF
SENTENCE INAUDIBLE) THE MATERIAL AVAILABLE FOR HIS REPORTING IS NOT
AVAILABLE TO BE HANDLED

REALISTICALLY, IN-PUBLIC, ANYWAY.

"THAT WAS THIS EVENING'S NEWS COMMENTARY."

~~KINKEAD BX 2-22-42 630A PWT OT.~~

#

No. 278
February 22, 1942
6:00 P.M.

MEMORANDUM For The President.

From: William J. Donovan.

I

From our London office comes the report that the ships which are carrying Axis material from France follow the route from Marseilles, Cap Creuse, Tunis, Balearics, Bougie.

II

Also - that Axis material being shipped from French ports such as Marseilles is spread out about the piers, etc., so the public can be kept ignorant of these activities.

Carlos Schmitz

Guillermo Anhalt

No. 279.

January 22, 1942.

6:00 P.M.

MEMORANDUM For The President.

From: William J. Donovan.

Here is material on a meeting of prominent Germans January 24th at Calle Winberg 2830, Olivos, Buenos Aires. The heads of many important German firms were present and are listed as follows:

Dr. Carlos Godofredo Linck-	President of S.A. Anilinas Alemanas, Ayacucho 297, San Isidro.
Guillermo Schulenburg	- Director of the A.E.G., Alberdi 1315, Olivos.
Dr. Niebuhr	- Representative of Lamparas Osram, Quimica Merck Clarfeld Ltda, Cia de Fiscaliscion y Mandatos, S.A. Muniz 802, Martinez Alfa Tudor, S.A.
Richard Leute	- Director Banco Germanico, representative of the Germano Argentina Insurance Co., and Cia Exportadora de Cereales. Valentin Vergara 1263, Vicente Lopez.
Julio Schiele	- Continental Transatlantica de Caucho.
Alfred Herrmann	- For GEOPE
von Wutherman	- S.A. Indunidas.
German Wernicke	- Homopharma S.A.
Otto Wezler	
Wilfred Clarfeld	
Gustavo Herten	
Edmund Moring	
Gerhart Boker	

Carlos Schmitz

Guillermo Anhalt

Carlos Tancke

Fritz Fessel

The German Embassy was represented by Otto Erich Meynen, Counsellor Gerhart Weis, Counsellor and Captain Niebuhr, Naval and Air Attache.

The most interesting event of the meeting was a speech by Niebuhr dealing with the proposed Nazi offensive this Spring.

The following is a precis of the speech:

1) Hitler is preparing three big armies for a "Blitz" war in Trans-Caucasia.

2) The German factories are producing more war materials than ever before.

3) Before the Winter ends European Turkey will be invaded from Bulgaria and Greece. Simultaneously landings will be made in Asiatic Turkey from the Black Sea and the Aegean.

4) From Turkey the three armies will set out.

5) The first will go south and west and occupy Irak, Iran and Afganistan in order to enter India from the back and contact the Japanese.

6) The second army from the north of Iran and Afghanistan will invade the southern Soviet Republics of Turkistan,

Uzbekistan and Tajikistan occupying the territory and raising them against Moscow.

7) From here they will proceed to the Asiatic Russian region of Kazakstan which will be occupied, including the cities of Omsk Tobolsk, to arrive finally at the West of the Urals. Their rearguard will be covered because by that date Russia will have an eastern front with Japan.

8) The third army starting out from Asiatic Turkey will march occupying Azerbaidjan, Armenia and Georgia and raise them against the Russians.

9) They will immediately occupy the Caucasus, cross the Volga from the Caspian Sea to Stalingrad, proceeding northward in order to occupy the cities of Samara and Tartaria. They will thus establish a front facing north from the eastern banks of the Volga to the Urals.

10) From the city of Astrakhan to Tartaria armies No. 2 & 3 will be in contact across the region called the "Caspian Depression" in south and across the Urals in the north. In the meantime army No.1 will be in contact in India with the Japanese army. Their lines of communication and for provisions will be via Turkey and Basra in the Persian Gulf.

11) Commenting of this Niebuhr explained that Russia will be presented with three fronts; the present one, another in the East with the Japanese and the third which is the one in the Caucasus from the Urals.

12) England, he said, will have to fight on two flanks in India and defend Australia and other positions. The United States will have its forces spread out.

13) When England has been crushed in her dominions and Russia has been destroyed in less than three months, they will proceed immediately to invade Great Britain.

14) Once England and Russia have been eliminated U.S. will fall like a ripe plum and this, he said, will take place in less than six months from the commencement of next Spring.

15) No comment was made at all about the last Nazi disaster in Russia.

16) With reference to the Rio conference, Meynen said that the resolutions taken and the efforts made by the United States were without importance for the designs of the grand Reich on the world.

We were informed that the above remarks were given in such detail that it is suspected that a large proportion of it was inspired either by Niebuhr himself or by von Thermann, in order to keep the spirits of the German capitalists present from flagging and encourage them to fuller participation in the German War Effort.

No. 280
February 23, 1942
12 Noon.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following is a report made by Axel Paulin, of the Swedish Legation in Santiago, Chile, on January 28, 1942, to his government:

The Rio Conference is now over, its convocation can be ascribed to the present Foreign Minister of Chile, Dr. Rosetti. Some details about this man may be of interest and throw light on the above-mentioned conference. Dr. Rosetti, lawyer and journalist - he owns a paper, "La Opinion"- is a relatively young man, intelligent, ambitious and of a particularly dynamic personality. About four months ago he started rising towards great heights, when he was appointed Foreign Minister without having previously held any official post. He is the first Chilean Foreign Minister who does not belong to the circle from which such officials have so far been drawn. Contrary to these, who usually come from the Chilean oligarchy, he descends from Italian immigrants. Shortly after taking over his present position he unexpectedly got wind into his sails. In November a Eucharistic conference was held here with great pomp and a week later there followed the visit of the

Brazilian Foreign Minister. As the President of the Republic, already desperately ill, was unable to attend, Dr. Rosetti had to take his place. This gave impetus to his ambitions. He then conceived the idea of convening the American Foreign Ministers in order to discuss the situation created by the Japanese aggression. It was expected that Chile should to a certain degree follow Argentine's lead rather than follow in the wake of the States dominated by the U. S. Dr. Rosetti advocates a policy of neutrality rather than a hazardous jump into the tangles of war.

This country's relatively friendly attitude towards the Axis powers may up to a point be ascribed to their particularly well-chosen representatives here, as well as to the large admixture of German blood in the population. The German Ambassador here, Baron Von Schoen, and his American-born wife, are the most highly respected foreign representatives by both friends and adversaries, and their hospitable home has always been a centre of social life in Santiago.

About a week ago about ten large North American planes arrived and settled down in the Chilean marine airport. They show no signs of continuing their journey. The Chileans are by no means enthusiastic about this prolonged visit. In official circles the subject of the presence of these

North Americans is avoided as much as possible.

He also sent a communication to Harald Fallenius, Kungl. Utrikesdepartementet, Stockholm, dated 28th January, 1942, as follows:-

Should Chile and Argentine sell themselves to their sister republics and break off relations with the Axis powers, then the direct sea traffic from Sweden to these countries would automatically cease... I wish to inform you that the German Ambassador here has told me that it is his intention, should Chile be obliged to break off diplomatic relations with his country, a possibility which is not remote and may only be a question of time, to ask that the Swedish representatives be entrusted with the care of the German interests.

No. 281
February 23, 1942
12 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

It has been learned that on January 21, 1942, Sr. Doctor Alberto Zerega Fombona, Enviado Extraordinario and Ministro Plenipotenciario de los Estados Unidos de Venezuela, Madrid, Spain, received a circular letter from his government which calls attention to the fact that, since the breaking off of diplomatic relations with Germany, Italy and Japan, the Diplomatic and Consular officials of Venezuela in Germany and Japan have been removed from their official seats and their whereabouts are unknown, but that Italy has, so far, continued to treat the Venezuelan representatives with accustomed courtesy.

Extracts from the letter are as follows:

"The Ministry has received information from certain South American Governments to the effect that, consequent on the breaking off of diplomatic relations with the Governments of Germany, Italy and Japan, Dr. Rafael Angarita Arvelo, Diplomatic Representative of Venezuela in Berlin; Sr. Eduardo Marturet, Civil Attache to the Legation in France, who was discharging his Consular office in Paris; Sr. Pedro Alfonso Acero, the official in charge of the Archives of the

Consulate General of Venezuela in Hamburg, and Dr. Carlos Rodriguez Jimenez, Consul General of Venezuela in Tokyo, have been taken away from their respective posts and sent to other destination, thus finding themselves cut off entirely from all contact with the Government of Venézuéla.

With regard to our representatives in Italy, the Venezuelan Government has received guarantees which prove that they have been and are continuing to be treated with all due courtesy and are able to communicate with this Ministry without any hindrance whatsoever. The Government of Venezuela has, therefore, reciprocated and granted freedom of action, in so far as circumstances permit, to the diplomatic and consular representatives of Italy".

No. 282
February 23, 1942
12 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following report has just come from our London office, which shows the highlights of German Home propaganda for last week:

1. This week the German home propaganda featured Russia even above the dramatic Far Eastern news. The lines adopted were "the worst is over and the tide has turned for us. The fact that we survived this terrible winter proves that we can survive everything". Very little mention is made of Russian atrocities. There are no more horror stories about what the German soldiers must endure in Russia. They use great caution in referring to the spring offensive. They talk now of a summer offensive.

2. They play up Singapore on the basis of direct quotations from American and British sources as the biggest surrender in British history. Japanese sources are quoted to prevent the Germans from fearing that the Japanese would stop at Singapore. They barely mention the Philippines.

3. Chiang Kai Shek's visit to India is almost entirely suppressed in accordance with the policy of letting the Germans think a separate peace with China is possible.

4. There is a great effort, mostly underground, under way in the form of propaganda meetings rather than open propaganda appeals. This is to reconcile the people to the really severe restrictions and hardships imposed on them by the new drive for production. They carefully avoid suggesting that competition with American industry is responsible for the German drive. Attacks on grumblers have greatly increased, indicating that the internal difficulties and problems are becoming more acute.

5. They have been giving the false impression that the British demand for changes in the Cabinet were really attacks on Churchill's whole system. The Germans are being told that Britain's desperate straits are indicated by the fact that she cannot get rid of Churchill.

6. They place great emphasis on the naval situation. They exploit the channel battle as proof that England has grown weak on the sea and of the air superiority of the Germans over the channel. Great prominence in radio, newsreels and press is given to U-boat sinkings off the coast of America: "Germany successfully carrying the war to the very gates of America". If the Germans judge only by home propaganda they are now paying less attention to America than before they were at war with her.

No. 283
February 23, 1942
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT.

FROM: William J. Donovan

The following is a report, showing the German order of battle in France as of the beginning of February:

ARMY GROUP D. (S'Germain on Laye) (Includes 3 Armies)

XV Army (Tourcoing) includes:

221 D.I.	(Bruges) consisting of Inf. Regts:	265, 412, 497
208	(Hazebrouk)	308, 309, 337
322	(Montreuil)	588, 589, 590
302	(Dieppe)	570, 571, 572
336	(Le Havre)	685, 686, 687
323	(Caen)	591, 593, 594
711	(Countances)	721, 731
319	(Dinan)	582, 583, 584
320	(Lannion)	585, 586, 587
716	(?)	

TOTAL 10

VII Army (Bordeaux)

165,335	(Brest)	682, 683, 684
305	(Vannes)	576, 577, 578
327	(La Rochelle)	595, 596, 597
708	(Bordeaux)	718, 728

333	(Biarritz)	679, 680, 681
715	(Angouleme)	725, 735
332	(Le Mans)	676, 677, 678
		TOTAL 8

I Army (Fontainebleau)

337	(Bourges)	688, 689, 690
211	(Auxerre) ?	
8	(Beaune)	28, 38, 84
28 light	(Besancon)	49, 83
202 ?	(Camp Mailly)	233, 235, 286
71 ?	(Reims)	191, 194, 211
		TOTAL 6

Notes: In the occupied zone (eastern part) there are numerous Ersatz units.

The following Armored Divisions are probably being formed in the regions indicated:

PARIS region, 23rd Division (Armored)

NIORT region, 22nd Division (Armored)

The following divisions have left France:

225	246
216	88
83	205
41	5 (light)
81	

No. 284
February 25, 1942
12 Noon

MEMORANDUM FOR THE PRESIDENT.

FROM: William J. Donovan

The following is a report on the handling of the President's speech of February 23, 1942.

1. Advance text received from White House at 4:00 P.M. Transmitted to translators at 4:30 P.M.
2. Translated in 22 languages and serviced to shortwave transmitting stations at 6 P.M.
3. In New York, the speech was translated into the following twenty-three languages and broadcast at the following times:

Complete text:

English:

10:00 - 10:30 P.M. WGEA, WGEO, WLWO, KGEI

10:30 - 11:00 P.M. WRCA, WBOS

11:00 - 12:00 M WCBX WCRC

1:00 - 1:30 A.M.	WGEA
1:30 - 2:00 A.M.	KGEI
4:00 - 4:30 A.M.	WCBX, WCRC
4:30 - 5:00 A.M.	WRCA
5:30 - 6:00 A.M.	KGEI
7:30 - 8:00 A.M.	WCBX-WCRC
10:00 -10:30 A.M.	WRCA, WNBI, WBOS

German:

12:30 -12:45 A.M.	WCBX, WCRC
2:00 - 2:30 A.M.	WRCA, WLWO
1:30 - 2:00 P.M.	WGEA, WLWO
3:00 - 3:30 P.M.	WRCA, WNBI, WBOS
3:00 - 3:30 P.M.	WLWO,
5:45 - 6:15 P.M.	WRUL

French:

12:00 -12:30 A.M.	WCBX, WCRC
3:00 - 3:30 A.M.	WRCA
3:30 - 4:00 A.M.	WCBX, WCRC

9:30 - 9:45 A.M.	KGEI
12:00 - 12:30 P.M.	WRCA, WNBI, WBOS
2:00 - 2:30 P.M.	WLWO, WGEA, WRUL
4:00 - 4:30 P.M.	WRCA, WNBI, WBOS

Italian:

1:00 - 1:30 A.M.	WCBX, WCRC
2:30 - 3:00 A.M.	WRCA
12:30 - 1:00 P.M.	WLWO, WGEA
1:30 - 2:00 P.M.	WRUL
2:00 - 2:30 P.M.	WRCA, WNBI, WBOS
3:00 - 3:30 P.M.	WLWO

Turkish:

1:30 - 2:00 A.M.	WRCA, WLWO
12:15 - 12:45 P.M.	WRUL
2:30 - 3:00 P.M.	WNBI

Spanish:

10:00 - 10:30 P.M.	WRCA, WBOS, WCRC, WCDA
10:30 - 11:00 P.M.	WCRC, WCDA, WLWO

3:30 - 4:00 A.M. WRCA,

2:30 - 3:00 P.M. WRCA, WBOS

Portuguese:

10:00 - 10:30 P.M. WCBX

10:30 - 11:00 P.M. WCBX

11:00 - 11:30 P.M. WGEA

4:00 - 4:30 A.M. WRCA

3:30 - 4:00 P.M. WRCA, WBOS

Swedish:

2:00 - 2:30 A. M. WCBX, WCRC

11:00 - 11:30 A.M. WGEA, WLWO

3:30 - 4:00 P.M. WNBI

5:00 - 5:30 P.M. WRUL (February 28th)

Tagalog:

6:00 - 6:30 A.M. KGEI

Mandarin Chinese:

6:30 - 7:00 A.M. KGEI

Japanese:

7:00 - 7:30 A.M. KGEI

Dutch:

2:30 - 3:00 A.M. WCBX, WCRC

8:45 - 9:20 A.M. KGEI

3:30 - 4:00 P.M. WRUL

Danish:

12:30 - 1:00 P.M. WRCA, WNBI, WBOS

2:45 - 3:15 P.M. WRUL

Polish:

1:30 - 2:00 A.M. WCBX, WCRC

Serbo-Croat:

3:00 - 3:30 A.M. WCBX, WCRC

2:30 - 3:00 P.M. WRUL

Norwegian:

3:00 - 3:30 P.M. WRUL

Fifteen-Minute Condensations:

English:

Throughout the 24th, all stations gave first importance to President Roosevelt's speech on all their news broadcasts and most commentary programs presented condensations of the talk.

Czechoslovakian:

12:45 - 1:00 A.M. WLWO, WGEA

4:00 - 4:15 P.M. WRUL . .

Arabic:

11:00 - 11:15 A.M. WRUL (February 24th)

11:00 - 11:15 A.M. WRUL (February 25th)

Greek:

1:00 - 1:15 P.M. WRUL (February 25th)

4:15 - 4:30 P.M. WRUL (March 1st)

Finnish:

11:45 - 12:00 N WLWO, WGEA

1:15 - 1:30 P.M. WRUL

Albanian:

4:00 - 4:15 P.M. WRUL (March 1st)

Armenian:

11:15 - 11:30 A.M. WRUL (March 2nd)

Persian:

11:15 - 11:30 A.M. WRUL (February 25th & 27th)

German:

7:15 - 7:30 A.M. WCBX, WCRG

10:15 - 10:30 A.M. WCBX, WCRG

1:15 - 1:30 P.M. WCBX, WCRG

French:

8:15 - 8:30 A.M. WCBX, WCRG

11:15 - 11:30 A.M. WCBX, WCRG

2:15 - 2:30 P.M. WCBX, WCRG

Italian:

9:15 - 9:30 A.M. WCBX, WCRG

12:15 - 12:30 P.M. WCBX, WCRG

3:15 - 3:30 P.M. WCBX, WCRG

4. In San Francisco, it was broadcast ten times in seven languages by KGEI, all times Pacific War Time: (1) In English, live, by President, 7 to 7:30 P.M. simultaneous with networks. (2) In Spanish, 7:40 to 8:25 P.M. (3) In English, repeat FDR transcription, 10:30 to 11 P.M. (4) In English, repeat transcription, 2:30 to 3 A.M. (5) In Tagalog, 3 to 3:30 A.M. (6) In Mandarin Chinese, 3:30 to 4 A.M. (7) In Japanese, 4 to 4:30 A.M. (8) In Dutch, delivered by Van Bovene, President Aneta Batavia, now in San Francisco, compressed version, 6:05 to 6:20 A.M. (9) In French, compressed, 6:30 to 6:45 A.M. (10) In English, repeat transcription, 8:15 to 8:45 A.M. Also carried as lead in six newscasts - in six languages - English 4:30 A.M., Mandarin, 4:45 A.M., Cantonese,

4:52 A.M. to 5 A.M., Tagalog, 5 to 5:15 A.M., Dutch, 5:55 to 6:05 A.M., French, 6:20 to 6:30 A.M., pointing up particular quotes in each case slanted to language's area in text.

Seven times through night, 100 word sidebar box sent on wire by New York, telling how free world listened original speech, etc., was used as a station-break, in each case concluding with announcement of what time repeat of speech would next be broadcast and in what language.

5. In addition to shortwave radio, this office sent the full text of 4,334 words by direct point to point cable and/or wireless to London, Chungking, and Batavia, beginning at 10 P.M. sharp. (Chungking transmission was interrupted by radio blackout in the Los Angeles area.) Our London Office refiled text to other points such as Cairo, Stock-

holm, and Bern.

SUMMARY

The President's speech was translated into 22 languages and broadcasted, beginning at 10 P.M., E.W.T. by 11 American shortwave transmitters. The speech was sent by wireless and/or cable to allied and friendly neutral capitals for rebroadcast and publication in the press.

February 25, 1942
6:00 O.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following, from our London office, is a summary of a recent B.B.C. survey of the radio audience of European Countries:

"1. Everywhere there is word-weariness, disappointment, apathy and the weight of winter.

"2. Admiration previously felt for Britain is transferred to Russia.

"3. Listening in is increasingly difficult because:

"a. Tubes in the sets are wearing out.

"b. Large-scale confiscation of sets, particularly in France, Spain, Holland and Hungary.

"c. Increased enforcement of the anti-listening laws, and punishment for offenses.

"d. Jamming is more successful.

"e. Shortage of electric power.

"f. Systematic refuting and misquoting by the enemy of B.B.C.

"4. Failure to satisfy the front line fighters of the

inner struggle against Hitler, particularly in the occupied areas.

"5. There is imperative need for increasing number of wave lengths and strength of signals.

"6. To fight jamming there is need for coordination with the Americas and possibly the the Russians."

No. 286
February 25, 1942
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT.

FROM: William J. Donovan

We have just received the following cable from our man in Cairo:

"It now appears that the regular armed forces of the enemy will begin paying more attention to our routes, since the volume of planes crossing the continent has reached such large numbers.

Recommendations have been handed the War Department on alternate routes and these should be decided on and action taken at once.

It is hoped that the War Department has not lost sight of the bombing on January 22, of Fort Lamy..

There had been no organized warning service and nothing was known of this bombing by the Royal Air Force until they found that the newspapers of Egypt had carried the report.

No action was engaged in by the very limited anti-aircraft establishment.

Ammunition was brought in at once by the Pan American planes, and listening post equipment and four guns were promised by the Royal Air Force, but otherwise all

lines of communication in Africa are receiving only a routine preparation.

The planes are thought to have come from French West Africa or Libya that bombed Fort Lamy but it has been found reasonable to believe they came from French West Africa due to recent happenings.

The unprotected condition, in general, of this air route is brought out more forcibly, even though the bombing attack be classed as a nuisance raid and it impresses the fact that before long, we will be forced to have equipment and in localities to defend our African installations."

No. 287

February 26, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

The following is from the BBC general directive for the week of February 20 - March 1.

We are entering a week which may produce a new crop of serious reverses. We must provide an active militant faith which will make our listeners ready to plan an essential part in this critical phase of the war.

The vassal and occupied countries must be made to understand that:

- a. We are going to win, eventually, this year if possible.
- b. They can help speed up the victory.
- c. When we have won, they will be glad they have done so and sorry if they have not.

Now that the impact of the Far Eastern front has been taken up, every effort should be made to concentrate attention on the Russian front.

These things about the Far East matter for European listeners:

- a. We will not lose the war through reverses in the Far East and shall obtain the upper hand there eventually.
- b. We have deliberately been prepared with our eyes open to risk prolonging the war in the Orient in order to aid the Russians.
- c. We are committed to the freeing of Europe and we are prepared to lose the whole empire rather than compromise with the enemy on matters in Europe.
- d. In spite of deceptive appearances the Far Eastern affair will eventually be settled by a naval action when we are strong enough to force one and not by battles in Java, Burma, etc. In this connection note the statement by Admiral Andrews.

In all the services our audiences are word weary and we must stop plaguing them with arguments on minor issues, arid agitation, vague exhortation. We must give them possibilities

and facts soberly, lucidly, avoiding disputes with the enemy and his minions. Canvassing of political eventualities after the war must stop for the moment.

We must pay a good deal of attention to:

- a. Maintaining our stolid calm in spite of disappointments and defeats, and adequately projecting Great Britain as a nation with a tradition and deep roots of invincibility.
- b. Steady insistence on the productive capacity of the United Nations.
- c. Repeated emphasis on the solidarity of the powers in the Grand Alliance.
- d. Relentlessly pointing out the fact that Germany cannot sit back but must in a few weeks fight to defeat Russia, a great military power.
- e. Reiteration that Hitler must win outright in 1942 because he will be incapable of another Spring offensive in 1943 after another winter.
- f. Reminders that Britain is ready to sacrifice her great imperialist interests on Europe's behalf rather than reach a modus vivendi with the Germans at the expense of Europe.

No. 288
February 26, 1942
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT.

FROM: William J. Donovan

The following report comes from the British MEW weekly digest:

The critical food shortage in France caused anti-Vichy demonstrations the end of January in the following towns: Nimes, Sete, Arles, Montpellier, Demonstrations in the Department Herault obtained larger supplies of fruits and vegetables and a six ounce increase in the meat ration. The February fat ration is fourteen instead of sixteen ounces.

In Italy the peasants are reluctant to deliver their crops and this is causing difficulty in providing the normal consumer's ration of seven ounces of bread daily in the urban areas. New petty expedients have been adopted, such as denying rations to domestic workers on the grounds that their master's higher standard of living permits sharing their supply with the servants. In certain factories the workers have succeeded in getting increases in rations by striking. The Italian peasants have been carrying on a veritable war against the Italian currency.

For the last two months in Germany there has been a very extensive weeding out of laborers for the armed forces.

The fact that men on leave have been sent back to the Russian front indicates that the Germans were forced to use the reserves they were saving for the Spring offensive. During the winter months very little factory leave was granted. German over-all production has probably decreased, due to the heavy mobilization for the army. War production may actually be increased if civilian consumption can be cut and the last ounce of efficiency wrung from the factory and the last ounce of work extracted from the laborer.

THE WHITE HOUSE
WASHINGTON

February 27, 1942.

MEMORANDUM FOR WILLIAM J. DONOVAN:

Your No. 289 -- advertising
in India -- you might talk this over
with Sumner Welles.

F.D.R.

No. 289

February 26, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

If we could check with our British friends, would you think it advisable to try using paid advertising as a fast propaganda weapon in India?

The advertising copy could be cabled and we could actually be running it in India in Indian newspapers within a few days.

This copy could cover:

1. A message from the people of the United States.
A message from the President of the United States.
2. The messages should stress the Four Freedoms.
3. The message should stress the United Nations.

We could supplement the advertising itself with pictures. Perhaps it would be well to get up a proposal and check it with you.

No. 290

February 26, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

The following summary "of average listeners" to the radio in Germany has been prepared from material gathered over more than a year.

The listener has the keenest nose imaginable for propaganda and if possible will not listen. His touchstone of truth is his apparent objection.

The problems of day-to-day existence keep him overwhelmingly absorbed; how and when the war will end, how to keep himself warm and how to get decent clothing and food.

He has no interest in isms or ideologies and has a personal respect for Hitler which is quite distinct from his faith in other leaders. He would like changes made in the regime but on the whole has faith in it because it has tackled certain practical social problems and given military superiority to Germany. He is aware of many instances of corruption within the party. They think generally that either such things are bound to happen under any regime or these are exceptions about which Hitler knows nothing.

He cannot help feeling Germany and Britain should be fighting on the same side. Rather than fight to death for the breakup of the British Empire he would far prefer an honorable and negotiated peace with Britain now. His conviction that Britain will never negotiate before final victory and never give in is the main foundation for his respect for Britain and his respect for Churchill is more than a sneaking one.

Knowing for the first time that Germany is hard pressed, he is far less certain than six months ago that Germany will win; but he does not often think Germany will lose. He expects the war will last for a long time yet feeling that since Germany has survived the hard times this winter she will be able to survive anything. He does not want Germany to be beaten and the people who do are disliked by him.

After the war he wants: security from arbitrary injustice, inflation, war and unemployment.

He fears most: Occupation of Germany by Russia. He is so fearful of this that he is less worried than he was about what Britain may do. He is afraid sometimes that the enslaved peoples, the Czechs and Poles in particular will take revenge.

He has lost someone or may lose someone in Russia; or he knows of those who have. He has an open mind about whether Germany's attack on Russia was right and is appalled by the horrors of the Eastern Front.

He has forebodings if he is over forty and about one-half of the German audience is because he remembers America's part in the last war. His best hope is that America will be blotted out by the Japanese. He is just beginning to realize the importance of Japan's victories after two months but still has little interest in the Far East. He often wonders whether Germany should not be allied with the British instead of the Japanese. For Italy he has profound contempt, feeling she must remain under German tutelage after the war and wondering if she is not more trouble than she is worth.

He is disillusioned and cynical rather than bitter about life in general. It is possible things may become easier but even if Germany wins there is no golden advantage near. He intends to hang on, however.

THE WHITE HOUSE
WASHINGTON

March 4, 1942.

MEMORANDUM FOR W.J.D.

Reference your No. 291, Feb. 28th.

In regard to your trip to the
interceptor command in New York, I think
you had better talk with General Marshall
and Admiral King about this.

F.D.R.

No. 291

February 28, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

On Tuesday of this week I had a very interesting but disturbing day. I spent the day at the bomber and interceptor command in New York. Out of this trip I found that for the bomber command, the following were urgently needed:

1. A consolidated office of Army Air Forces and Navy anti-submarine operations in order to bring both services more closely together.
2. Additional bombardment aircraft consisting of heavy long range bombers for extended operations at sea for reconnaissance-bombardment to intercept enemy surface ships at great distances from our shores, and an additional number of medium bombers for the normal

anti-submarine patrol adjacent to our coast line.

As to the interceptor command, I found that all of the officers there were concerned about these facts which they related to me:

Eighty percent of the industrial capacity of the United States is located in the "Vital Northeast area." The approach of good weather and flying conditions over the Atlantic, increased Axis sea power, the unknown status of the French Fleet, the known existence of Axis aircraft with sufficient radius of action to operate against the United States from European bases and the lack of any token raids to date may be a forewarning of an attack in force against which the present air defense would be totally inadequate.

The officers told me that the combat strength of the First Interceptor Command is now composed of three Pursuit Groups, which are authorized 352 pilots, and 240 airplanes, of which 162 airplanes should be capable of operating against the enemy. It actually has, as of this date, 227 pilots, and 99 airplanes of which only 54 airplanes are capable of operating against the enemy. This actual force is only 38% trained and the equipment consists of 11 different types of P-35, P-36,

P-39, P-40 airplanes. Disposed for general defense, this force provides the following strength for the regions indicated:

<u>Region</u>	<u>Combat Strength in Airplanes.</u>
Boston	5
New York	17 (11 obsolete)
Philadelphia	18
Norfolk	14

It is possible that only one-half of the above listed combat strength would be available for combat in view of the necessity for constant training which might result in one-half the strength being low on gas, or on the ground refueling, when attack developed.

I understand that the effectiveness of pursuit in making interceptions is dependent upon the efficient operation of the following organizations:

- Reporting Companies, Frontier.
- Plotting Companies, Frontier.
- Volunteer Spotters and Plotters.
- Intercept Control Squadrons.
- Controllers and Intercept Officers.

(1) Reporting Companies, which operate the Instrumental Warning Service, are estimated as being 50% effective, that is, they have a probability of one in two of detecting and tracking a hostile target to permit interception. This is due to shortage of officers and

inexperienced personnel and the technical limitations of the equipment.

(2) Plotting Companies, which organize and train volunteer spotters and plotters are inexperienced and lacking officer personnel which is reflected in Ground Observer Corps. Plotting and Reporting Companies are 206 officers below authorized strength.

(3) The effectiveness of civilian volunteer spotters and plotters is dependent upon stability of personnel and supervision by officer personnel of Plotting Companies. Legislation militarizing civilian personnel should be so drawn as to make possible the induction of personnel now on duty on a voluntary basis so as to utilize the organization and training effected over a period of six months.

(4) Intercept Control Squadrons which maintain and operate ground-air communications consist only of cadres of one officer and 40 enlisted men. These squadrons should have trained communications personnel.

(5) Controllers and Intercept Officers direct and navigate pursuit units to interceptions. At

present, controllers and intercept officers are in most cases obtained from Group pilot personnel. The Command has forwarded applications of specially qualified civilians for commissions in the specialists reserve, with the view of having them act as intercept officers.

Night effectiveness of pursuit is dependent upon the development of aircraft, equipment, training and technique. The only night defense which can be provided by the Interceptor Command consists of single seater aircraft operated by inexperienced personnel in cooperation with anti-aircraft searchlights. The results of this type of pursuit operation would be negligible.

The officers tell me that the number and type of aircraft assigned units of the First Interceptor Command are inadequate to cope with the capabilities of the enemy and that the important objectives, such as Buffalo, Rochester, Schenectody, Bath, Portland and Portsmouth, are totally undefended by pursuit aircraft; also that the Instrumental Warning Service is weak along the east coast and nonexistent along the Canadian border.

It was very obvious that there is a shortage of experienced personnel and of serviceable aircraft. This could not be attributed to any particular official or department of the armed services. In view of the present limited number of combat aircraft and the need for numerous allocations for this equipment throughout the world, it does raise again the question of where priorities should be given.

No. 292

February 27, 1942

8:30 A. M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

We have just received a report that on February 21 a Brazilian Cabinet meeting was held at Petropolis, including Chiefs of Police and the General Staff. The following is a brief summary of that meeting.

"Chief of Police reported anti-American activities under absolute control.

"Long report by General Portella on equipment of Brazilian army was discussed. Discussion revealed lamentable state of affairs and confirmed Chief of General Staff's contention that army could not mobilize and equip 20,000 men for vicinity northeast sector as demanded by U. S.

"18,000 rifles, among them old types, could be mustered but there was no reserve of machine guns. Out of 200 guns purchased from U. S. only 50 were fit for service. Artillery ammunition reserves amounted to only 2,500 rounds and total stocks throughout Brazil on February 15th were 8,650 rounds.

"Reported garrison in Fernando Noronha has only two rounds per 155 mm gun and 15,000 rounds of small arms ammunition.

"It is reported that President is having whole question investigated on grounds that army was never stinted of funds and that he and Minister for Foreign Affairs based Brazil's foreign policy vis a vis Axis on the assumption that military supplies were adequate.

It has also been reported that "the President's contacts in Ministry of War all emphasize folly of Brazil's rupture with Axis on grounds that army cannot defend country nor can it rely upon U. S. which is not able to defend own possessions. Foreign Minister is blamed for influencing President."

Further information is that "a Ministry of Finance member who is in touch with the army believes that army supplies obtained from United States for strengthening northeast defenses will be used first to equip troops in south against Argentina and secondly for troops in Federal District for parade and thirdly for troops in north. The army will thus exploit United States fears for its own ends."

We have been informed that the reaction of the Brazilian

-3-

people as a whole to the sinking of Brazilian ships has been very weak, and that the Germans are disseminating the argument that if Brazil had not broken off relations with the Axis, no ships would have been lost.

No. 293

February 27, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

The following is a summary taken from the British
PWE weekly directive.

Strategy:

a. Russia. Point out that the Russians are still holding the initiative and in various sectors are still attacking. Very costly German counter attacks have either failed or made inconsiderable local gains. In spite of great efforts, the Germans have still not been able to stabilize. The Russians confident that they can relieve Leningrad at an early date, have reinforced Sevastopol and Kerch and continue to attack on the central sector. There is no information as to whether the pincer west of Moscow has progressed.

b. Libya. Keep to straight news. For reason not yet clear, Rommel has withdrawn his forces about fifteen miles instead of attacking positions running south of Gazala.

c. Far East. Before long the counter offensive will begin and will continue unremittingly with ever increasing forces. America and Britain, which have the greatest navies and limitless resources for their expansion will inevitably be victorious. Japan will lose her sea supremacy, her land forces, now dispersed on a perimeter of more than six thousand miles, will be cut off from Japan their only munitions supply base.

Special note:

a. The suggestion has been submitted to the Executive Committee that our propaganda should reply to the German presentation of the war as a worldwide struggle in which the Axis holds the strategic advantage because Japan has gained sea supremacy in the Pacific and is consequently prepared to strike over a very wide area in any direction and because of the geographical position of their sea and land forces.

b. Although the committee fully appreciates the strategic possibilities of Japanese sea supremacy, they believe it would be a great blunder to conform to the strategic

picture as the German propagandists paint it. When and if the Japanese impinge into the Western theatre by striking at our communications in the Persian Gulf and Red Sea, for example, we will be forced to admit that the balance of strategic advantage rests with enemy powers and that our position in the West is imperilled. This situation has not yet and may never arise. There is still a very fair chance that the British and American naval forces sent to the Far East will be able to create a major strategic diversion, particularly in view of the very wide dispersion of the Japanese forces. There is no question but that Japan will sooner or later lose her sea supremacy in the Pacific. Her whole war effort depends upon this supremacy. There is also a very fair chance that the Russians will gain further successes and that we will defeat Rommel in Libya. As the German armies will contain a large number of war weary troops, there is also a fair chance that the Russians will foil the impending German Spring offensive. Moreover the Russians have had time to enlist fresh forces.

Propaganda policy

a. We shall come through the 1941-42 crisis as we did that of the summer of 1940 and as we survived the two great crises of the last war in 1914-15 and winter and spring of 1917-18.

b. If viewed in this light, the recent changes in the government provide the answer to the inquisitive interest in our domestic affairs which the enemy has been manifesting. The British grasp that the situation is tightening rather than slackening. The public is alive to the coming German Spring offensive and is solely animated by a desire to meet and overcome it. It has complete confidence that this can be done, knowing the immense strain the Russian campaign has put up on Germany.

No. 294

February 28, 1942
8:30 A. M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following is a report from our New York office covering the highlights of the week's war on the propaganda front. It is based on recording of broadcasts on short-wave heard at FCC's listening posts in Washington and Portland, Oregon, the National Broadcasting Company's listening posts in Los Angeles and New York, the Columbia Broadcasting System's listening posts in San Francisco and New York, on medium wave broadcasts recorded by the British Broadcasting Corporation and by our own monitors.

THE PRESIDENT'S SPEECH:

There is ample evidence that the President's speech disturbed the Axis nations.

Axis apprehension concerning the effect of the speech came to the surface first in Tokyo. The Japanese attempted to predict, then answer in advance, what Mr. Roosevelt

would say. Four Tokyo broadcasts in the English Language on Monday morning were relayed immediately to the White House. Stephen Early at once issued a statement to the effect that Tokyo was making the President the Target of its biggest propaganda campaign of the war -- and issued it in time to reach the early editions of afternoon newspapers, which played it prominently. The Japanese blunder gained listeners and underlined many of Mr. Roosevelt's words, not only at home but in far away corners of the world.

We translated and broadcast the speech in 23 languages. The complete text was broadcast in 16 languages. Some of the broadcasts are still going on the air and will continue to do so until at least March 2nd, when WRUL will put on a fifteen minute condensation in Armenian. WRUL's schedule also called for fifteen minute condensations in Arabic for February 24 and 25, in Greek for February 25 through March 1st, in Persian for February 25th through 27th and in Albanian for March 1st.

The complete text of the speech was broadcast in English, German, French, Italian, Turkish, Spanish, Portuguese, Swedish, Tagalog, Mandarin Chinese, Japanese, Dutch

Danish, Polish, Serbo-Croat and Norwegian.

The Japanese further pointed up the President's speech by shelling the Elwood, California, oil refinery while he was delivering it. This Japanese version of an Axis pattern, an attempt to use military action as a propaganda weapon, was less than wholly successful.

Our monitoring chief reported to Washington(short-wave from midnight to four P.M., February 24, Tuesday):

"The shelling of an American oil refinery on the California coast got heavy play, with most stations pointing out the coincidence in timing with the speech. It was ridiculous, most of our stations emphasized, as a military measure and failed to accomplish its propaganda objective."

Tokyo risked one of its largest submarines to disturb the Roosevelt speech. Perhaps one object the Japanese had in mind was that their impudence would cause us to lose "face". Three days later, the Japanese were still using this in Malayan and Javanese broadcasts. It was emphasized to Orientals that Dutch, English and Americans

cannot stand up to the powerful Japanese, who shall American oil fields under the noses of the American military.

Acting Secretary of State Sumner Welles took a great deal of the wind out of Japanese sails with a stinging scornful statement that the Elwood shelling was a typical example of Japanese bluff. We sent this statement out at once with a directive that it be given the fullest possible play.

An unapologetic, unadorned and fighting speech makes hard going for Axis propagandists. Problem (A) they cannot report the speech; and problem (B) they must appear to, in order to demolish it.

THE WESTERN AXIS REACTS

The manner in which German home audiences heard the President's words may be interesting.

We have a cable report monitoring Tuesday's political review from Luxemburg Radio, which is typical. There is a careful culling of part of a passage here, a piece of a phrase there, and then the twisting and demolishing of them.

The Goebbels' home version made four principal points.

Point One: America is Besieged.

"America is compelled to wage a war that has been extended all over the world, since Germany, Italy and Japan have thrown in their last energies to cut Anglo-American communications, which are at the same time England's and America's vital arteries. . . .The California coast was shelled by Japanese while Roosevelt was still speaking -- This after German U-boats had already found victims among irreplaceable tankers off the North American and Canadian coasts as well as in the Caribbean."

Point Two: Germany is Unafraid of the American War Plan.

Luxemburg said that "The President's exposition of strategic problems was a confession of the disastrous dilemma into which he maneuvered the United States" and that his announcement that nothing had happened to make him change his war strategy meets with the approval of Germany, Italy and Japan.

Point Three. America Cannot Catch up With Germany in the Battle of Production.

"Mr. Roosevelt declared that the Axis is very near maximum production, while America is still very far from this point....This is true. The Axis has reached the climax of production capacity, yet this climax shows the curious characteristic of rising from day to day, and it is war-monger Roosevelt who has helped us to attain this war production by extending the war theatres."

Point Four. Roosevelt's Allies are Being Left in the Lurch.

"Possibly Roosevelt can deceive his own people, but Moscow and Chungking will have not failed to note that the eagle which Roosevelt held up as an example for Americans is in reality nothing but a vulture hovering greedily over devastated battlefields."

Rome said the speech was emphatic but unconvincing. Its main theme, Rome told Italians, was sniping at United States isolationists and Government critics. Rome pretended to be amused at Roosevelt's references to George Washington and remarked that Washington "was the first isolationist and a fighter against the British". Rome

broadcast in German that the President should have asked Americans to use maps before he launched them into war, rather than when he spoke to them. Rome had little to add.

Russia's propaganda attitude toward the fireside chat was indicated in a Khabarovsk broadcast in Russian Wednesday. It was intended for small-town and outpost papers in Siberia. It wound up with the statement that: "our next broadcast will contain the speech of President Roosevelt from the United States" and told editors to save 400 square units" for it on their front pages.

THE AXIS FOLLOWS THE HEADLINES

Although great events were unfolding, including the imminent closing of the Burma road and a bestirring of giant India, not to mention the closer-home shakeup in the British Cabinet, Axis propaganda on the whole followed newspaper headlines in an obvious manner. There was evident some deep-planted hope that Churchill would be badly shaken and might fall. Inclusion of Sir Stafford Cripps in the Cabinet loosed a deluge of propaganda, mostly from Berlin, about the Bolshevik capture of England. All Axis sources broadcast Bolshevism as Britian's bogey-man.

Berlin repeatedly saw Cripps as Stalin's spy in Churchill's house. The Grigg appointment, perhaps because it was harder to fit in, occasioned much less comment.

OUR WORDS REACH GERMANY

Our bond with the "German Freedom station" grows stronger. It may result in forging a double-edged propaganda weapon.

On Thursday we sent 1,000 words to "German Freedom" on Hitler's message to the Munich Beer Hall where his Nazi party members were observing the twenty-second anniversary of the announcement of the Nationalist Socialist Platform.

Our broadcast, to be relayed to "The Temporarily enslaved people of Germany", was full of material which they would never hear from home sources. The message stuck closely to fact and detail and source in the main. It did, however, remind Germans that Hitler did not deliver his message in person because the Russians were keeping him busy at headquarters. It ridiculed Hitler's excuses concerning Russian weather by reminding of German boasts about their long-range forecasting after their weather

advantages in the Polish, Norwegian, Eastern European and Balkan campaigns. It ended by quoting the New York Times observations as to Hitler's obsession that there is a parallel between his Russian Campaign and that of Napoleon.

A Washington desk suggestion that we have German illegal stations reply in kind, informing us of conditions inside Germany (with such detail as new rationing regulations, the number of persons in mourning, new political jokes and gossip) is a live project.

AN EFFECT OF REPETITION

Our Government has pounded hard and long on our tremendous war production program. Indications increase that this is getting home to Germany.

BBC monitors Thursday reported that the German radio at Frankfurt has begun a weekly program entitled "inexhaustible reserves." In it, Frankfurt promises German listeners that they will hear "the voice of the German working man and woman, touching in its simplicity, powerful in its reality." The first program was a microphone tour, dramatizing a shipyard from drawing board to launching. It emphasized the joyous tasks of the workers.

But BBC spotted it as a new propaganda angle, designed to offset word of a United States all-out effort.

WHAT GOES ON GOEBBELS DESK?

One of our analysts voluntarily has been undergoing the torture of imagining himself sitting in Dr. Goebbels' office and watching our material come in. He then assigned himself the job of taking it apart. During only two days of this, our analyst found our general pattern falling into nine principal divisions, as follows:

1. The Axis is weak.
2. The United Nations are strong.
3. The Axis is divided.
4. The United Nations are united.
5. The Axis is anti-religious and unfair to minorities.
6. The United Nations are fair to religions and minorities.
7. A Hitler victory offers no hope to the world.
8. A United Nations victory offers hope for a free world.
9. The Axis is unable to organize its conquered territories.

During a twenty-four hours period this week, our broadcasts were beamed to Germany, France, Italy, the Far

East and elsewhere with material supporting each of these divisions. Point One, or Axis weakness will suffice:

"United States radio quoted Budapest Radio disclosing that Nazis are short of oil. United States radio said that Hitler had been forced to admit that winter had taken him by surprise on the Eastern Front. United States radio said that Japan had suffered great losses in the Philippines, claiming that American and Filipinos themselves have buried 2,000 Japanese dead. America is claiming that her military and naval actions have sunk or disabled 14 per cent of Japan's major combat vessels. They continue their line that we are short in our labor, our reserves and our food. They express concern over Der Fuehrer's mental condition. They report our using the speed-up system in our factories. America says Japan has won no territories yeilding immediate raw materials, lacks production....."

HITLER'S UNWITTING HELPERS

Axis propagandists continue to scan the printed and listen to the spoken words of prominent Americans to employ them as weapons against us.

An outstanding example was broadcast from Berlin in German on February 21:

"The publisher of the New York Newspaper PM, Ralph Ingersoll, writes: 'The whole world only hopes that Churchill will at last cease leading his people into the air raid shelters instead of Battles. It is not seen with pleasure that British are sitting in air raid shelters and wait until the Soviets, Chinese and Americans have won the war for them'"

What Mr. Ingersoll actually wrote, in a signed editorial in PM on Monday, February 16, and headed "Let Churchill need, not appologize", was the following:

"Well it was a hard speech to make two days after the defeat in the Strait of Dover and on the afternoon that Singapore fell. Everyone has days like that -- even a great Prime Minister. The hope of the world is that when he is rested the blood will run again in his veins and he will see the whole world and find his heart and lead the British people, not into the dugouts -- to wait until the Russians and the Chinese and the Americans have won the war, but into battle."

No. 296
February 28, 1942
12 Noon.

MEMORANDUM FOR THE PRESIDENT.

FROM: William J. Donovan

The following memorandum, prepared by our British Empire and Far Eastern Sections, I think you might want to read:

THE IMPORTANCE OF HOLDING NORTHERN BURMA.

The following series of propositions is offered for consideration.

A. Need of defending a supply route to China through Northern Burma.

1. China must be kept in the war. To keep her in the war we must get supplies to her. To reach her, now that Lower Burma is lost, supplies must go through Assam in northeastern India.

2.. No route now exists between Assam and Burma, but two have been proposed in memoranda written by the British Empire and Far Eastern Sections: (1) Imphal to Kalewa via Tamu; (2) Ledo to Myitkyina via the Hukawng valley. Of these the first, though in the north, is sufficiently far south to be liable to relatively easy Japanese conquest. It is, however, now under construction, and word received on

February 25 from the American military observer in India, who has just visited the spot, says that it is promised for completion in April, though the observer thinks it unlikely that it will be usable until September. The other route has yet to be started.

3. To use either of these routes it is necessary to prevent the Japanese from reaching it. It is not apparent that the United States and British war council has decided to establish a line of defense in northern Burma to protect even the more northerly road, which would be the easier to defend. The necessary defensive line might run east from some point well south of Myitkyina, though doubtless above Mandalay, to Assam, using the most advantageous terrain.

4. If the road, where constructed, is not adequately defended, the Japanese will then find it an easier way to India than any land route now existing.

B. Defense of Eastern India

1. Japanese attack upon India can proceed by any or all of the following routes:

a. Naval operations along the coast of Burma to the Ganges-Brahmaputra delta, and inland by it to Calcutta, near which is located the greatest part of India's heavy war industry.

b. Overland from Upper Burma, if the Japanese take it, by various trails which do not appear any more difficult than some already negotiated by the Japanese on the way to Singapore and into Burma. These trails are those described in Special Memoranda of the British Empire Section, Nos. 13 and 18.

These routes are (1) by the coast from Akyab to Chittagong in Bengal just across the Burma frontier, (2) inland from Mingin to Chittagong; (3) inland from Kalewa to Imphal (now under construction as a road) and so to Manipur Road in Assam; (4) inland from Myitkyina to Ledo in Assam (if the Japanese reach far enough north in Burma to strike this trail.)

2. The present defense of India consists of relatively few well equipped troops (though there are many who are raw and unequipped); about 100 airplanes, most of them unarmored; and possibly a few armored cars.

3. If the Japanese reach Chittagong, they will then have a railroad line with which to continue operations. If they reach Imphal and then proceed to Manipur Road, or if they reach Ledo, they will again have a railroad to use.

4. If the Japanese take Calcutta and the adjacent regions, they are in a position to threaten the rest of India and possibly make contact with German forces advancing from the Near East.

5. The defense of India, then, seems to require immediately that the Japanese be prevented from establishing themselves (1) at the bottom of the Ganges-Brahmaputra delta; (2) at Chittagong; or (3) at Ledo. The terrain is much more favorable for stopping them before they reach these points than it would be for stopping them afterwards.

C. Military Strategic Conclusions.

If these various observations are correct, it would seem that both the retention of China in the war and the defense of the most highly industrialized section of India, and perhaps all India, require that the Japanese be prevented from gaining north-eastern and northern Burma.

Whatever long range plans may exist for counterattacks against Japan, any such attack in southeastern Asia will be seriously hampered, if not actually rendered unworkable, if the United Nations have lost all Burma and eastern India, where they would naturally set up the bases for land operations.

D. Political Consequences of Withdrawing from Burma.

Abandonment of northern Burma would have important political, as well as military, consequences to both China and India. China could hardly regard the withdrawal as anything but desertion. There is little likelihood that supplies could be got to Chungking from Russia by railroad and caravan route through

central Asia; for Russia is probably giving as much aid now as she can spare. Neither is it likely that materials can go from America by way of Alaska, northeastern Siberia, and northern China. The route, would be open to Japanese attack and at the same time could be used only if Russia were willing to risk war with Japan as she seems at this time reluctant to do. If Burma were abandoned, therefore, China would, be cut off from any aid which America and Britain might be willing to give, and would hardly fail to consider that those nations were indifferent to her fate. She is already mistrustful of British sincerity-- in view of the closing of the Burma Road in 1940 and Churchill's statement that it was to Britain's interest to hold Libya rather than Singapore-- and perhaps not fully convinced of our own reliability after we shipped materials to Japan for several years to be used against her. Left alone now, she would feel no friendliness toward Britain and possibly not much to America, and even in the event of an allied victory might well be inclined to a peace in which the interests and desires of these two nations would appear to her of little consequence.

In India also there would be a somewhat similar reaction to an allied military withdrawal from northern Burma and a failure to defend India outside its own borders. Public sentiment, so far as it is represented by India's leaders, is already aroused against the British. If Japan succeeds in defeating the imperial

forces in India and driving the British out of any large part of the country, India might, as a result, and it may reasonably be thought would, feel that her security no longer lay in the protection of the British Empire, but should be sought elsewhere.

Right now the best means of commanding the loyal support of both India and China seems to lie in giving them the maximum help which we can. Very simply, this means that we must see that everything possible is done to keep supplies moving into China and to keep Japan from invading India. The most feasible, in fact the only feasible, method of doing so seems to be to defend northern Burma. Just at that point, in the eyes of both India and China, the Japanese must be stopped; military strategy demands it. Failure to pursue this strategy is likely to bring immediate military disaster and future political ill. But if it is adopted, our prospective gains are large; it might mean the winning of the war; it may be the guarantee of satisfactory relations after the peace.

No. 297

February 28, 1942

6:00 P. M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The United Nations programs which you approved are now scheduled to start at 10:15 Sunday night with a speech by Mr. Berle, who is substituting for Mr. Hull.

Present plans call for putting on a speech by each of the twenty-six signers of the agreement at the rate of two a week.

No. 298
February 28, 1942
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT.

FROM: William J. Donovan

We have received from our London office the following detailed report from Spain, concerning the reorganization for control of foreigners about to be put into effect. This is in imitation of the German system and German advisors are said to be on the ground to help install it:

The general principle will be to consider every foreigner individually with respect to his usefulness to Spain.

The examination will be particularly severe for Americans, French, British, other Allies and for Italian and German Jews, etc. If the individual is not protected by diplomatic rights or by special benevolence of high Spanish personalities in political police or military circles, the following rules will apply:

1. Cancellation of all resident's permits.
2. Requests to leave the country in majority of cases.
3. The concentration camp when this cannot be done; i.e., Dutch, Poles, etc.

The system will probably begin in March. Because France has no power of reprisal against, Spain, the French will probably be affected first.